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NEWS SUMMARY

GENERAL

Soldier killed by IRA mortar

soldier was killed and eight people were injured yesterday when the Provisional IRA launched a mortar bomb attack on a police station in South Armagh.

Four soldiers and two Royal Ulster Constabulary men were injured at the base, in Newtonhamilton. Two civilian women were hurt when one of seven mortar bombs overshot the target and hit a pub.

The bombs were fired from a lorry parked about 500 yards away. An eighth shell exploded in the back of the lorry, which was abandoned by the attackers. Police said it was the worst attack on the base so far.

Israel backs pact

The Israeli Cabinet has approved by 15 votes to two the full text of the proposed peace agreement with Egypt. The Knesset will be asked to approve it today. The Cabinet, however, had a stormy meeting on the autonomy plans for Palestinians. Back Page

Cell death blame

South Africa has accepted responsibility for the death of black underground leader Joseph Mdluli while in police custody three years ago and will pay R15,000 (£8,750) of the R9,000 claimed by his widow. But it denied that police had caused his death. Page 2

Iran rebels clash

Kurdish rebels clashed with Iranian troops backed by jets in the western city of Sanandaj in the worst outbreak of regional violence since the revolution. Dozens of people were killed before a ceasefire was declared. Page 2

Diplomatic move

Britain and Argentina are to restore the ambassadorial relations which were broken by Buenos Aires in 1976 because of the dispute over the Falkland Islands. Page 5

TV actor dies

Actor Richard Beckinsale, star of TV shows Porridge and Rising Damp, died at his home in Sunningdale, Berkshire, aged 31. It is believed he had a heart attack.

Sports aid record

The Sports Council plans to give a record £4.5m in grants in the financial year beginning next month. About £2.2m will go on coaching and administration covering several Olympic sports.

Air perks bid

Over 2,000 British Airways workers are taking the airline to court today in a bid to oppose the withdrawal of cheap travel concessions to staff who refuse to work normally. Page 10

Briefly...

China has agreed to open talks with Vietnam in Hanoi at Vice-Foreign Minister level from about March 28.

Michelin Guide to hotels and restaurants has made no new three-star awards this year, but there are seven new one-star restaurants.

About 1m Israeli workers joined a four-hour strike in protest against food price rises following cuts in state subsidies.

Fountain pen used by Edward VIII to sign his abdication in 1936 was sold for £2,000 at Phillips.

Parents of train attack girl Michelle Booth will see the Home Secretary on April 2 in a bid to have the case reopened.

Rail passengers who left Victoria Station, London, 20 days ago will arrive in Peking today on their journey to Hong Kong.

BUSINESS

Equities quiet; Naphtha falls

● EQUITIES traded quietly amid political uncertainty and revived doubts about the Chancellor's intentions regarding Government spending cuts in the Budget. Official markings fell to 5,711, the lowest for three weeks and the FT Ordinary Share Index was 1.2 down to close at 509.7, the day's lowest.

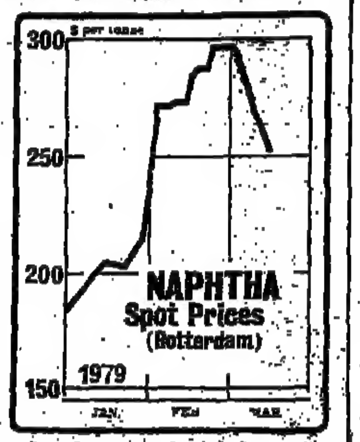
● GILTS were generally mixed with longs closing up to ¼ lower, but shorts rising by up to ⅛. The Government Securities Index closed 0.12 down at 71.53.

● STERLING fell 70 points to \$2.0235 and its trade-weighted average fell to 64.6 (65.0). The dollar's depreciation widened to 8.6 per cent (8.4).

● GOLD fell \$1½ to \$242⅞.

● WALL STREET was 9.01 up at 861.83 just before the close.

● NAPHTHA price has started falling on the Roterdam spot market. From record levels of more than \$300 a tonne at the



end of last month, the figure has dropped to between \$250 and \$255 following a slight easing of supplies.

● BRITISH SHIPBUILDERS' losses for the financial year to March 31 will be at least £47m, £2m more than the target set by the Industry Secretary last year. Back Page

● RENAULT, the French State-owned motor company, is taking a 20 per cent stake in Mack, the second largest heavy truck producer in the U.S. Back Page

● NORWEGIAN GOVERNMENT has appointed a committee to study reasons for the steep rise in offshore development costs in Norway's sector of the North Sea. Page 3

● MICROELECTRONICS revolution is likely to create more than 1m jobs in Western Europe and the U.S. during the next decade, say U.S. consultants, but the UK Association of Professional, Executive, Clerical and Computer Staff fears electronic equipment could cause the loss of 250,000 office jobs by 1983. Pages 7 and 10

● ANNUAL REPORT and accounts of Philips, the Dutch electronics multi-national, is the most useful and informative document of its kind issued by a major European company last year, according to a Financial Times survey. Page 7

● FOOD AND AGRICULTURE Organisation launched a five-point plan to improve world food security following the collapse of negotiations in Geneva for a world wheat agreement. Page 33

● BRITISH STEEL laid off 750 production workers from its Ravenscraig works at Motherwell after unofficial strikers refused an appeal from their union to return to work. Page 10

COMPANIES

● PITTARD GROUP, the leather tanning and dyeing concern, reports pre-tax profits for 1978 down from £1.69m to £1.06m due to increased imports of subsidised leather. Page 20

● MORGAN GRENFELL Holdings, the unquoted banking and finance group, reports profits down from the record £5.18m to £3.69m after tax and transfer to inner reserves by certain banking companies. Page 20 and Lex

CHIEF PRICE CHANGES YESTERDAY

(Prices in pence unless otherwise indicated)

RISES		
Treasury 9½pc 1981	£97⅛	+ ⅛
Banks (Sidney C.)	103	+ 5
Bibby (J.)	370	+45
Davenports' Brewery	129	+ 6
BRF	108	+ 6
Hoover A	180	+18
Horizon Midlands	182	+ 7
Lon. & Prov. Shop	188	+ 6
Lonrho	83	+ 7
Metal Closures	118	+ 5
Pullman (R. & J.)	128	+14
Regional Prop. A	104	+ 6½
Saatchi & Saatchi	182	+ 7
Sotheby P. B.	337	+ 7
Swan Hunter	140	+11
Tube Invs.	402	+ 6
Trans. Cons. Land	£19	+ 1
Western Mining	186	+ 7

FALLS		
Exchequer 12pc 1998	£99⅛	− ⅛
Church	178	− 4
Courts (Furnish.) A	126	− 4
Ferranti	393	−17
Moran (C.)	39	− 6
Ultramar	292	− 6
Wilmot-Breeden	91	−11

Sharp drop in value of sterling brings relief to Whitehall

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

Sterling fell sharply against most other major currencies yesterday. This follows smaller declines at the end of last week and has partially eased some of the previous official concern about a growing conflict between the strength of the pound and other economic policy objectives.

But the relief may be only temporary and there have been considerable official discussions about what should happen if sterling rises further, or significant inflows of foreign currency are attracted over a period of several months.

The trade-weighted index, measuring the level of sterling against a basket of other currencies, fell by 0.4 to 64.6 for a decline of just over 1 per cent since last Tuesday's peak.

Dealers reported widespread selling, with some profit-taking, after sterling's rise earlier in the month as well as some nervousness about the uncertainties of the UK political position.

The Bank of England appears to have intervened to check the decline, though support was not significant.

The pound recovered on its own accord towards the close in response to the renewed weakness of the dollar, so that an earlier decline of over a cent was cut back to a final drop of 70 points to \$2.0235.

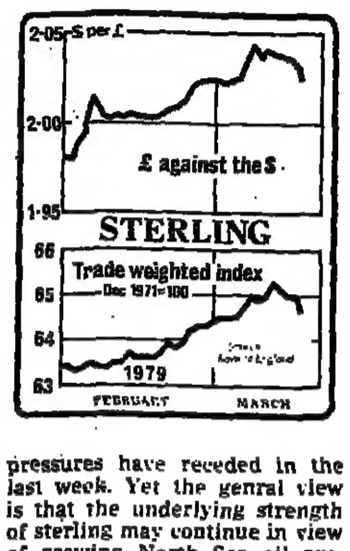
Until last Tuesday the trade weighted index had risen by 2¾ per cent in six weeks, while there were signs of growing inflows of foreign currency in early March.

This pressure—still on nothing like the scale of 1977—was leading to increasing official discomfort about the possible impact of inflows on domestic monetary control and of an appreciation in the rate on the already weak competitive position of British goods.

At the same time a stable exchange rate has been seen by both Mr. Denis Healey, the Chancellor, and by Mr. Gordon Richardson, the Governor of the Bank, as an important weapon in the battle against inflation.

One problem has been that the Government has been reluctant to cut interest rates to discourage inflows.

But, to the evident relief of the authorities, the immediate pressures have receded in the last week. Yet the genral view is that the underlying strength of sterling may continue in view of growing North Sea oil production and the UK's favourable position relative to other countries to face higher oil prices.



● Further signs that the pace of UK economic activity has slackened and is likely to remain slow for most of the rest of this year are provided by cylical indicators published yesterday. Back Page

Money markets, Page 23

Congress backing helps Carter economic talks

BY DAVID BUCHAN IN WASHINGTON

PRESIDENT JIMMY CARTER and his top aides yesterday retreated to the seclusion of Camp David for a special meeting to tackle the acute problem of energy conservation and inflation.

The meeting, which Mr. James Schlesinger, the Energy Secretary, and Mr. Alfred Kahnn, the President's anti-inflation adviser, attended marks a switch in Mr. Carter's focus away from the all-consuming Middle East negotiations of recent weeks and back to the economic problems on which any re-election bid in 1980 will stand or fall.

—Encouraging news came yesterday in the form of a major report from Congress which endorsed the President's basic economic strategy of smaller Budget deficits and higher fiscal and monetary restraint.

The report, from the Joint Economic Committee of Congress, will carry considerable weight because — for the first time in 20 years — it has been endorsed by both Democrats and Republicans on the 20-member committee.

Mr. Carter now appears to have broad bipartisan support for his plan for public-spending restraint in his 1980 Budget, even if this means slower economic growth and rising unemployment this year.

If Congress, when it comes to debate the 1980 Budget later this year, follows the Joint Economic Committee's lead, Mr. Carter's Budget proposals should have a relatively smooth ride.

In the past, the committee's Democratic majorities have usually called for public-spending increases and tax cuts to stimulate the economy—clearly inappropriate in the present economic climate. The committee's chairman, Senator Lloyd Bentsen, a southern Democrat of conservative leanings, this year lined up the committee's Democrats behind Mr. Carter's policies.

The committee's report called for a diminished federal role both in spending and regulation in the U.S. economy and for the dollar abroad.

The policy dilemma which Mr. Carter faces is that he is being pushed strongly bye the Energy, Treasury and State Departments to raise domestic oil prices—both to meet the U.S. commitment to last year's Bonn economic summit that U.S. prices will rise to world levels and to stimulate oil production and cut consumption at home.

But this would give inflation a fresh boost, Mr. Kahn has warned the President, and could harm the Administration's efforts to get business and trade unions to stick to pay and price guidelines.

The likely compromise is felt to be a gradual lifting of domestic oil price controls from June 1 over perhaps a two-year period,

Rockwell may bid for Wilmot

BY JOHN MOORE

ROCKWELL INTERNATIONAL, the U.S. aerospace, electronics and engineering group, is prepared to offer nearly £20m for Wilmot Breeden, the UK engineering group with large interests in motor component manufacturing.

Although the groups have been talking since December, Rockwell has asked Wilmot for a large amount of additional information before any formal offer is laid on the table.

Rockwell wants details on profits for 1978, trading prospects for 1979, Wilmot's capital investment plans, redundancy plans and any other relevant information.

On the basis of the extra information it will decide whether or not it wishes to proceed and on what basis.

Rockwell's indicated offer—which could be made in cash of 95p for each Wilmot share—surprised the City yesterday. Some experts had been looking for a higher offer.

Wilmot's shares fell 11p to 94p, valuing the group at £18.9m. Rockwell said that it had arrived at its figure "on the basis of information currently available" and on the basis of its "own assumptions of Wilmot Breeden's trading results in 1978 and prospects for 1979."

There was some doubt last night that a bid by Rockwell at this price would be recommended by the Wilmot board.

Wilmot's advisers, Morgan Grenfell, said that the Wilmot directors were meeting today to discuss their attitude to the latest development.

Talks between the two groups began in December when it was announced that "areas of mutual interest" were being examined.

Last month an announcement indicated that the end in view was a recommended outright bid by Rockwell.

Until last week, when both group's respective advisers began to work on the details of the bid, both companies had been studying the management and technology facilities of their operations.

Wilmot Breeden has suffered recently from strikes in the motor industry and, in common with other motor component manufacturers, has been reducing the numbers it employs for some months. Pre-tax profits for the six months ending June 30, 1978 had dropped £1m from the first half of 1977 to £1.8m on sales of £51.8m.

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Healey threat to EMS subsidies

By Guy de Jonquieres, Common Market Correspondent in Brussels

BRITAIN yesterday threatened to block the interest rate subsidies promised to Ireland and Italy when they joined the European Monetary System unless it was guaranteed similar benefits if it decided to join.

The move, by Mr. Denis Healey, the Chancellor of the Exchequer, at an EEC Finance Ministers meeting in Brussels, is the latest step in Britain's campaign to try to reduce the cost of community membership. It follows the demands by Mr. James Callaghan at last week's European summit for radical changes in EEC spending.

Resources

Mr. Healey told his colleagues that the cost to Britain of net resource transfers resulting from EEC membership was equal to about 1 per cent of its gross domestic product. By contrast, Denmark, one of the richest members, received a net transfer from the Community equal to 1.5 per cent of its GDP.

Half the estimated resourcee cost to Britain was due to its EEC net budget contribution, estimated at almost £900m this year. Most of the remainder reflected the cost to consumers of having to buy food at high EEC prices rather than on the world market.

The Chancellor stressed that Britain's EEC contribution came on top of its substantial overseas defence costs, also equal to about 1 per cent of its GDP, and of development aid. He said that the Government was determined to reduce outflows to the EEC.

Include

While the UK neither requested nor secured any specific concession on this score yesterday, it was agreed that a working party of senior EEC and national officials would be set up to study ways of increasing convergence between national economies. It is due to report back to the finance council in May.

Mr. Healey made it clear that he expected the group's examination to include the consequences for member economies of perverse resource transfers under the budget system, though this point was accepted only reluctantly by several other delegations.

The Chancellor gave his colleagues no reason to believe that the Government had changed its mind about staying out of the

Continued on Back Page

THE ULSTER CONNECTION: (left to right) Mr. Neave, Mr. Fitt, Mr. Powell and Mr. West.

Ulster key to Labour's fate

BY RICHARD EVANS, LOBBY EDITOR

THE PRIME MINISTER is to consult the Cabinet on Thursday before making his devolution statement to the Commons in the afternoon, following further evidence yesterday of the Government's precarious voting position.

A Downing Street meeting of a group of senior Ministers to draft the devolution statement, on which the Government's future could depend, decided to delay announcing tactics by a day, largely for Parliamentary business reasons.

The present intention of Mr. Gerry Fitt, Social, Democratic and Labour Party MP for Belfast West, and his Northern Ireland colleague, Mr. Frank McGuire, Independent Republican MP for Fermanagh, to abstain rather than support the Government would make Mr. Callaghan more dependent than ever on the backing of the Ulster Unionist MPs. Mr. Fitt and Mr. McGuire are opposed to the Government attempts to increase the number of Ulster seats to 18.

Both the Government and Opposition leaders have insisted that there would be no political horse-trading with the Unionists, and the signs are that the Ulstermen would demand a very high price for their votes.

Mr. Harry West, chairman of the Ulster Unionists, said that only a pledge from Mr. Callaghan to end the direct rule of Northern Ireland from Whitehall could win the support of the bulk of the Unionist MPs. In other words, he was calling for the restoration of Stormont in some form.

Mr. West, in London for talks with Conservative leaders, poured cold water on Mr. Enoch Powell's hints at the weekend that increasing the powers of local government in the province or by building a £100m gas supply pipeline from Britain might secure a deal.

"The gas pipe is not a big enough fish to save the life of the present Government," said Mr. West. "We are opting for a return to an Ulster Government."

The difficulty is that Mr. West, although a powerful figure in the Ulster hierarchy, does not necessarily speak for the party's seven MPs, who will make the final decision on tactics.

Mr. West had two meetings during the day with Mr. Airey Neave, the Conservative Ulster spokesman, and although no promises were made to commit a future Tory administration, there appears to have been some progress.

A joint study group is to be set up by the Conservatives and and Ulster Unionists to investigate the prospects of more democratic local government in the province. Mr. West hopes this will lead to the return of a devolved Parliament.

The Unionist chairman is also to see Mr. Roy Mason, Northern Ireland Secretary, in the next fortnight, but it was stressed last night that these talks would bear no relevance to the Westminster Parliamentary situation.

Statement

The talks with Mr. Neave, also attended by Lord Thorneycroft, chairman of the Conservative Party, and Mr. James Molyneaux, MP for Antrim South, who is leader of the Ulster Unionists at Westminster, did not involve a discussion of voting intentions should there be a vote of no-confidence in the next fortnight. Instead, they concentrated on the Northern Ireland constitution, plans for direct elections to the European Parliament, and local government.

What is not yet clear is whether Mr. Callaghan will announce a date in his Commons statement for the debate on the devolution Order being pressed by the Scottish Nationalists. The signs are that he will not do so or that any date would be some time in the future following all-party talks. One possibility is that he will propose a select committee of MPs to discuss the future of devolution in Scotland.

Mr. George Reid, SNP MP for Stirling East and Clackmannan, said last night that if Mr. Callaghan did not come up with a cast-iron date for the devolution vote this week, he was heading for defeat and a General Election. "Careful sums show that there will be an overall majority of at least three against him in a vote of confidence," he said.

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Left makes limited gains in French local polls

BY ROBERT MAUTHNER IN PARIS

THE RESULT of the first round of the French cantonal elections indicates a much smaller swing against the Government's coalition parties than could have been expected in the present uneasy industrial and economic climate.

The vote has been widely billed as the first real test of the Government's popularity since the March, 1978, general election, though the present elections are only for local representatives.

The canton is an electoral constituency for the sole purpose of choosing departmental councillors, roughly equivalent to county councillors in the U.K.

Councillors are elected for six years but only half the seats are at stake in the present elections, which are held at three-yearly intervals.

On the basis of the results available so far—the second and final round of the election will not be held until next Sunday—both the coalition and left-wing opposition parties have some grounds for satisfaction.

The relative strength of the parties remains similar to that after the first ballot in 1976. But the Socialists and Communists can claim that the last cantonal election marked the high point of their fortunes, before the Union of the Left had been torn apart by its internal quarrels.

To have achieved the same result as in 1976 after their general election setback last year, indicates that left-wing voters have not been alienated permanently as some Socialist and Communist officials feared.

As in 1976, the combined Socialist, Communist and Left-wing Radical score in the first round totalled more than 51 per cent of votes cast, compared with only 43.5 per cent for the Government parties.

The Socialists, with 26.9 per cent of total votes cast—marginally more than three years ago—did particularly well, and again emerged from the first round as the biggest single party, while the Communists fell back slightly to 22.4 per cent.

On the Government side, the UDF, President Giscard d'Estaing's main supporters, established a big initial lead over their tetchy partners, the Gaullist RPR.

Thet UDF, which did not exist as a political group in 1976, picked up more than 21 per cent of the vote, against the Gaullists' 12 per cent.

But even the latter improved their score by nearly 2 percentage points compared with 1976.

The Government has been further comforted by the fact that six out of seven Ministers who ran in the election performed well, despite the widespread criticism of Prime Minister Raymond Barre's economic and industry policies.

Three Ministers were elected outright in the first ballot, including M. René Monory, the Economics Minister, and three others are in a strong position for the run-off.

On the basis of the first-round results, therefore, it can hardly be claimed that the Government has been censured by the electorate, but no final judgment is possible until next Sunday.

Trade remains in balance

BY DAVID WHITE IN PARIS

FRANCE KEPT its foreign trade account in fine balance last month, despite a sharp rise *in its imported energy costs.*

Adjusted figures showed a tiny deficit of FFrs 9m (£1.03m) after a barely larger surplus of FFrs 51m in January.

The crude figure showed a surplus of FFrs 46m compared with a FFrs 1.9bn gap in January.

The permanent shortfall on energy widened by 20 per cent to FFrs 6.4bn, reflecting bigger oil deliveries and the first effects of higher OPEC prices.

Offsetting this were a record surplus of FFrs 1.7bn in capital goods, based on an export figure of FFrs 7.2bn, and a 12 per cent rise in the surplus for *motor vehicles which reached* FFrs 2.3bn.

France also improved its advantage in food trade, with a surplus of FFrs 331m, double the January figure.

Turkish loan 'enmeshed in politics'

By Metin Munir in Ankara

TURKEY is in the strange position of seeking clarifica*tion of a loan agreement* which it has already signed. The loan in question is for $125m and was syndicated by Wells Fargo in January.

It has since become, however, the subject of intense political controversy concerning the way that export stocks *of cotton and hazel nuts are to* be pledged as collateral.

The agreement was drawn up by the Ministry of Finance under Mr. Ziya Muezzinoglu, but was promptly leaked to the Press. Mr. Teoman Kopruluier, Minister of Commerce, then stopped imple*mentation of the agreement,* ordering that it should be reviewed.

The Istanbul representative of Wells Fargo has now been invited to Ankara to explain certain provisions of the agreement.

Bankers say that the syndicate of 21 banks involved in the loan will not relinquish the collateral clause and will only agree to cosmetic changes in the agreement.

Already the incident has had adverse effects on Turkey's overall relationship with the international banking community.

The review of an agreement which was supposed to be signed and sealed has given rise to fears that other deals too may become enmeshed in politics.

Our Foreign staff add: Mr. Ecevit yesterday postponed until today a news conference at which he had been due to announce further details of his latest programme to stabilise the Turkish economy.

This programme involved major price increases in a number of goods and services produced by the state. On Friday, petrol prices were increased by 90 per cent

Last week, the Prime Minister had *discussed his plans* with representatives of employers and workers. Reportedly, he has since been involved in disputes within his *Cabinet*

All indications are that he is maintaining his refusal to devalue the Turkish lira as the International Monetary Fund and Turkey's would-be creditors insist.

ANDREOTTI READY TO PRESENT HIS CABINET

Odds shorten for June election

BY RUPERT CORNWELL IN ROME

SIG. GIULIO ANDREOTTI, the Italian Prime Minister-designate, is due today to present to President Sandro Pertini the list of Ministers in his new Government, composed of his own Christian Democrats, the Republicans, and the Social Democrat Party.

However it looks almost *certain that the primary function* of what will be his own fifth, and the country's 41st, Administration since 1943 will be to prepare a general election that looks likely to be held concurrently with direct elections to the European Parliament in June.

Final hopes of averting an untimely end to the current Parliament two years before schedule depend on a last round of talks this morning between *the Christian Democrats and the* Socialists (PSI). The latter's abstention, at least, would be required for Sig. Andreotti to survive a vote of confidence.

However, every sign is that the Socialists will say no. Sig. Bettino Craxi, the PSI secretary,

Sig. Bettino Craxi

made clear at a rally in Milan at the week-end that his party's 57 parliamentary votes would only be used to help a "stable and authoritative" government and not one "in tattters."

The new Administration will mark the end of the period of Christian Democrat minority rule since the inconclusive June, 1976, general election. Instead, both Social Democrats and Republicans are expected to *receive three or four Ministries* apiece.

A period of utter confusion appears to be drawing to a close during which the parties have been trying to avoid being pinned with the blame for precipitating an election, while frantically manoeuvring to secure the date most convenient to them.

However, there remains a chance that calculations could yet be thrown out; a tiny possi*bility exists,* on paper at least, that Sig. Andreotti could squeak through a parliamentary vote with the unwanted support of certain right-wing parties.

Most observers now believe that the Prime Minister will present his government to Parliament *either just before* or just after the Communist Party congress here. This runs from March 30 to April 4, during which period sittings are suspended.

If he is defeated, the formal dissolution would come comfortably within the 45-70 day *period allotted for an election* campaign, so that the polls could be held together on the weekend of June 10.

This would probably disappoint the Communists, who had been hoping for a vote sometime in May. But it would be a victory of sorts for Sig. Craxi, who *all along* has been seeking to avoid a general election before the European poll, at which the PSI hopes to do well.

Not least of the arguments for holding them together is that of the extra burden on Italy's chronically indebted *state finances.* The overall cost of an election campaign has been put at L200bn (£115m).

Dutch index of industrial orders falls

THE DUTCH index of industrial orders in hand fell 1 per cent to 98 (base January *1978*), in February from 99 in January and 2 per cent from 100 in February last year, according *to the Central Statistics Office.* Reuter reports from the The Hague.

Its latest survey of industry showed a slight increase in industrial activity in February, with a further increase expected for the coming three months.

New Lisbon daily

A new tabloid newspaper Correio da Manha (Morning Post) appeared on the streets yesterday, bringing the number of Lisbon dailies to four, Reuter reports.

Spanish congress

Spain's newly-elected Congress, the main legislative chamber of Parliament, will *hold its first meeting on Friday.* Reuter reports from Madrid.

Portuguese oil executive to lead EEC negotiations

BY JIMMY BURNS IN LISBON

SR. PEDRO PIRES MIRANDA, a director of Petrogal, the nationalised oil company, has been appointed the new president of the Portuguese Commission for European Integration, which will lead Portugal's crucial negotiations on EEC membership due to resume next month.

The appointment of Sr. *Miranda, formerly the Minister* for Commerce and Tourism, under the short-lived Government of Sr. Alfredo Nobre da Costa, will come as a relief to EEC officials, who have shown increasing concern at the sluggish approach to the problem of accession demonstrated in recent weeks by Portugal's non-party administration.

Portugal's chief negotiating body on EEC matters has been in virtual disarray ever since *Sr. Vitor Constancio resigned as* President last February. Dr. Constancio's replacement, however, still leaves unresolved the issue of the long delayed restructuring of the Commission itself which is criticised as unsuited to the delicate negotiating task that lies ahead. The Portuguese Cabinet is *shortly* to consider the reorganisation of the Commission.

According to a proposal drafted by Dr. Jacinto Nunes, the Finance Minister and Deputy Prime Minister, the present nine-man Commission is expected to be replaced by a permanent team of negotiators, each acting in close collaboration with key ministries.

The new format will be designed to permit the *co-ordination* of the Government's economic policies with Portugal's entry into the EEC.

Meanwhile Sr. Jacinto Nunes, the Finance Minister, yesterday formally *presented the Government's* budget proposal for 1979 and short-term economic plans to the Portuguese Assembly.

Army officers in Athens bomb trial

ATHENS — Ten alleged members of an ultra-Rightist terrorist *group, including two middle-*ranking army officers and a senior police officer, went on trial yesterday charged with responsibility for scores of minor bomb explosions in Athens designed to destabilise the democratic regime.

After initial proceedings, the *court ruled that the hearing be* postponed until May 7 after the ten unanimously appealed that two alleged ringleaders arrested over the weekend be tried with them.

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Squalls ahead in sea-law talks

GENEVA—The United Nations Law of the Sea conference which reopened for a six-week session yesterday, is likely to head into squalls from the start.

The session was called to *conclude several years* of informal negotiations on a 340-article treaty so that the talks involving about 160 nations could enter their final phase.

But industrial states and developing countries seem set for a stormy confrontation over deep-sea mining. Third-world nations have warned that the issue could scuttle the conference.

The U.S. has announced plans for unilateral legislation, designed to give some security to companies planning to develop technology for mining minerals on the ocean floors.

Developing countries—which want the proposed UN treaty to govern such activities — say other industrial states are planning to follow suit, among them *West Germany.*

Sea-bed mining is expected to be one of the first problems discussed during this session. It is one of seven "hard-core" issues delegates have agreed they must settle before a treaty can be made final.

The negotiating text before the delegates provides for an international sea-bed Authority to control all mining activities "on behalf of mankind as a whole."

Mr. Elliott Richardson, leader of the U.S. delegation, has argued that the U.S. legislation would give companies some pro*tection until the treaty came into* force.

Commercial mining of the sea bed for manganese, copper, cobalt and nickel ores is not expected to start before 1985. Reuter

Norway investigates causes of rise in offshore costs

BY FAY GJESTER IN OSLO

THE NORWEGIAN Government has appointed a three-man committee to study the reasons for the steep rise in offshore development costs in Norway's sector of the North Sea, and to propose steps which could curb that increase. The group is to report to the Oil and Energy Ministry by March 1 next year.

The Norwegian Oil Minister, Mr. Bjartmar Gjerde, decided to order the study following strong criticism of escalating costs—particularly on the Statfjord field—from opposition parties at home and from Dr. Dickson Mabon. UK Minister of State for Energy. About 12 per cent Statfjord lies in British waters.

The chairman of the fact-finding group is Dr. Johannes Moe, of the Norwegian Technical University in Trondheim. Dr. Moe was a member of the three-man committee which investigated the 1977 blow-out on Norway's Ekofisk field. The other members are the State Labour Arbitrator, Mr. Konrad Knutsen, and Mr. Ingvald Haga, until recently head of the thermal power division of Norway's State Electricity Authority.

The committee will be able to hire foreign and Norwegian consultants to assist its work.

Meanwhile, a spokesman for Norwegian Contractors, the group which is building the concrete base for the second Statfjord platform, has confirmed that completion deadlines for the base will be met. The first of these falls in August this year, when the concrete storage cells must be ready for fitting out. The second will come about a year from now, when the four supporting shafts should have reached almost their full height, so that installation of equipment inside them can begin.

Irish unions lead PAYE tax protest march

BY STEWART DALBY IN DUBLIN

SOME 90,000 people are expected to demonstrate in Dublin today in one of the largest mass demonstrations ever seen in the Republic of Ireland.

Led by trade union officials, including some top members of the Irish Congress of Trade Unions (ICTU), the protest is against what is considered to be the high levels of PAYE income tax paid by industrial and public sector employees, while the country's 180,000 farmers contribute little.

The march, which follows one attended by 50,000 PAYE workers and their families nine days ago, was sparked off when the Government rescinded a 2 per cent levy imposed on most agricultural goods.

Farmers paid less than 2 per cent of the more than £600,000 collected by the Government in direct taxation last year.

The 2 per cent levy, which was introduced in the February budget, was a means of increasing the contribution from farmers. At the moment only 2,000 farmers pay tax.

The levy was expected to bring in £16m this year. This was considered inadequate by leading union officials, but was accepted as a gesture of the Government's determination to tackle the farmers' problem.

The lifting of the levy has led to a PAYE revolt. Although so far this has meant only marches, some leading ICTU officials are holding meetings this week to consider what further action could be taken. Token one-day strikes have been mentioned.

The Government is known to be very concerned about the demonstration today. It feels it is vital to hold down wage increases in the industrial and service sectors — which, with a total 800,000 workers, are much larger than the farming community—if its ambitious growth and reduction of unemployment targets are to be met.

Ideally the Government would like to see wage increases confined to single figures; yet it has had little success in persuading the Post Office workers' union, whose members have been on strike for three weeks, even to consider an award of less than the average 31 per cent increase it is asking for.

Officials have been making the point that the farmers, contrary to appearances, have not been let off the hook. The Government agreed to rescind the levy in return for an agreement among the main farming organisations that they would come up with a fair system of taxation by May 1. Should they fail to do this, the Government has said that it will re-introduce the levy.

More U.S. Olympic tickets

BY MICHAEL THOMPSON-NOEL

THE USSR is virtually doubling the U.S.'s quota of tickets for next year's Olympic Games in Moscow, as compared with the 1972 Games in Munich.

The 1980 Olympics will be responsible for the biggest, most concentrated inflow of tourists the USSR has ever seen.

Nearly 1.7m tickets will be available for foreign visitors to the Moscow Games, the Soviet news agency Tass said yesterday. A total of 6m are being printed.

Tass quoted Mr. Vladimir Koval, vice-chairman of the Soviet Olympic Organising Committee, as saying that ticket allocations would generally be much higher than for earlier Games.

"In particular, the quotas for the U.S. have been almost doubled, compared with the 1972 Olympic Games in Munich. Then, the Americans received 118,000 tickets, while we are offering them 218,000, half of them for the most popular sports in the U.S.—basketball, boxing, swimming, track and field athletics, gymnastics, etc."

Prices would be cheaper than at previous Games, he added. Opening ceremony tickets, for example, will cost about 25 rouble (about $37) compared with $42 in Montreal three years ago.

Soviet citizens will be granted rebates of about 70 per cent on the prices quoted to foreigners, via grants from their unions.

Belgian tax fraud doubles

BRUSSELS — Revenue lost each year because of tax evasion has nearly doubled in Belgium in the last five years, Professor Max Frank, a fiscal expert at the Flemish University of Brussels, said yesterday.

Tax evasion will cost the Treasury about BFr 200bn (about $7.5bn) this year, against BFr 106.5bn (about $3.5bn) in 1975, he added.

The 1979 loss was 19.2 per cent of the total revenue generated from taxation and the Government had become increasingly lax at stopping the fraud, Prof. Frank claimed.

In fiscal 1975, the Government aimed to cut tax fraud by 1.9 per cent, but this figure had officially declined to 5.4 per cent this year.

In 1975, the Government brought only 88 tax fraud cases to trial or fewer than one judicial inquiry per BFr 1bn ($33m) lost in revenue that year.

High-income earners, while representing only 5 per cent of taxpayers, were responsible for 54 per cent of the revenue lost due to tax fraud.

In 1975, they underpaid their taxes by an average of BFr 261,833, but that figure had nearly doubled to BFr 476,035 in 1979.

By comparison, low-income Belgians representing 10 per cent of the taxpayers, accounted for only 0.2 per cent of revenue lost because of tax fraud this year.

In 1975, taxpayers in this category underpaid the Government an average of BFr 573 ($19) and BFr 817 ($27) in 1979.

Income tax evasion by funnelling money out of the country was the most common form of tax fraud, closely followed by non-payment of inheritance taxes and failure to report taxes on real estate transactions.

AP

Cheaper fares for pensioners

HOLDERS OF British Rail's £7 Senior Citizen Railcard can now obtain 30 to 50 per cent reductions on first or second class ordinary return fares between BR stations and destinations in France, Spain and Portugal.

Cut prices for pensioners using railcards will save 50 per cent of the ordinary fare for the British, Spanish and Portuguese parts of rail journeys and 30 per cent for the Channel crossing, and on trains in France. A London to Paris second class round trip will cost, instead of the normal fare of £38, only £26 for railcard holders.

The £3.50 Senior Citizen Railcards which provide half-price travel in Britain are not involved in the scheme but may be traded for a £7 card by paying the £3.50 difference.

Jonathan Carr, in Bonn, analyses the results of the German provincial elections

A solid vote for stability embarrasses Kohl

Herr Richard von Weizsaecker keeping the CDU in the hunt

ONE MAIN conclusion can be drawn from the results of the election held this weekend in West Berlin and the State of Rhineland Palatinate: the West German electorate is showing remarkable stability in the face not only of sharp political controversy in Bonn but also of leadership problems in all three main parties.

For most people the key result is that the coalition between Social Democrats (SPD), and liberal Free Democrats (FDP) can continue in West Berlin. That is naturally a big comfort to the Federal Government in Bonn, which consists of the same two parties. A failure in Berlin would have had serious national consequences. It did not happen.

According to the official, preliminary figures the SPD received 42.6 per cent of the votes, exactly the same support as four years ago. That does not imply that the history of the SPD in Berlin in those four years has been steady or easy. The 1975 result itself reflected a decline of support for the SPD from previous polls. The fall continued until the local party gained a new leader and the city a new governing mayor in Herr Dietrich Stobbe.

It is chiefly thanks to him that the SPD has made a comeback, that talk of scandal and "jobs for the boys" has been largely stilled. Herr Stobbe is only 41 —and more than ever is a man to watch.

Many Social Democrats have cold shivers down the spine when they think what might have happened had not the leadership changed in the Berlin party. For the Christian Democrat (CDU) opposition acquitted itself well indeed under Herr Richard von Weizsaecker, a deputy chairman of the national party, a convincing defender of the middle ground in politics and, most important, a transparently honest man. This time the CDU achieved 44.4 per cent of the Berlin vote—thus surpassing the 43.9 per cent of 1975. But it will stay in opposition all the same.

The FDP was more delighted than anyone by the results — gaining additional votes in both Berlin and Rhineland Palatinate. In the former its support rose from 7.1 per cent in 1975 to 8.1 per cent this time: in the latter from 5.6 per cent to 6.4 per cent. On the face of it even yesterday's figures are not very impressive. But they are a matter for utmost relief to a small party in constant danger of slipping below the five per cent margin of support needed, under German law, to secure parliamentary representation at all. Last year the FDP suffered nasty shocks in Lower Saxony and Hamburg, slipping under five per cent in both.

The SPD gained in Rhineland Palatinate too—from 38.5 per cent before to 42.3 per cent. A fraction more and it might well have been able to form a coalition with the FDP, displacing the CDU Government under its Prime Minister, Bernhard Vogel. The CDU lost ground — from 53.9 per cent to 50.1 per cent—but nonetheless remains in power.

Some commentators have already suggested that the CDU's overall performance weakens still further the position of Dr. Helmut Kohl, the party's national chairman. He has been under increasing attack for months and faces a vote for re-election next week at the CDU party conference in Kiel. But whatever Dr. Kohl's failings may be, it seems hard indeed to hold the latest election results against him. Dr. Kohl succeeded in having Herr von Weizsaecker stand in Berlin, and it was Dr. Kohl who, four years ago as the then prime minister of Rhineland Palatinate, achieved the "dream result" of 53.9 per cent.

It is difficult to see the CDU itself taking these election results together as evidence that the party needs another leader. It is quite another question whether the CDU believes is can win the general election next year under Dr. Kohl

But the SPD and the FDP have their own problems at the top. The SPD chairman Herr Willy Brandt has only recently returned from convalescence and will not be able to be as politically active in future as in the past. The FDP chairman and Foreign Minister, Herr Hans Dietrich Genscher, is also in poor helath and was unable to play much of a role in the final stages of either of the latest election campaigns. This is a potentially serious matter for so small a party, with limited personel and organisational resources. Hence the widespread surprise that the FDP did relatively well.

The elections were fought chiefly on local issues—but there was one main foreign policy argument which could have told against the SPD in West Berlin. Debate has recently been raging in the Bundestag about defence and detente in general, and the problem of Soviet intermediate range nuclear missiles in particular.

At the centre of the dispute there has been the SPD's parliamentary floor leader, Herr Herbert Wehner, whose comments have been widely interpreted (not only by the opposition) to mean that lack of progress with detente was the fault of the West more than of the East.

For Berlin, the so-called "barometer of detente," this controversy, and the apparent differences of emphasis within the SPD, could have been highly unsettling. But not for the first time Berliners have refused to be unsettled. Although nearly 4 per cent of them did vote this time for an "alternative party" of environmentalists and others this is seen as something of a warning to the three major groups not to become too comfortable. But in the main the internal political stability of a city in so unusual an international political position has been confirmed.

Herr Dietrich Strobbe—saving the SPD's bacon

OVERSEAS NEWS

Kurdish rebels battle with troops loyal to Khomeini

BY OUR FOREIGN STAFF

KURDISH REBELS yesterday fought Iranian forces loyal to Ayatollah Khomeini, the country's religious and political leader, in the worst outbreak of regional violence since the revolution last month.

The trouble, in which dozens were reported killed and more than 200 injured, occurred as thousands of uniformed soldiers, seamen and airmen paraded through the streets of Tehran in a show of solidarity with the Islamic regime of the Ayatollah.

An appeal by Ayatollah Khomeini, broadcast on the Voice of the Revolution Radio, asked for civilians and soldiers in the *Kurdish city of Sanandaj* in western Iran, where the fighting occurred, to fight back, but pointedly avoiding blaming the Kurds as a group for the trouble. Instead the Ayatollah said the Moslems in Kurdistan were brothers and accused anti-revolutionary elements of fanning *the trouble.*

The rebels seized the local radio station and attacked the city's army barracks during the fighting while the air force, which is loyal to the new Islamic Government, flew Phantom fighters low over the city and used two helicopter-gunships against the armed groups.

Kurdish separatism has for long been a feature of Iranian history with the Shah's Government backing, until several years ago, a rebellion by Iraqi Kurds. Since the revolution, which overthrew the Shah, Iranian Kurds, along with other ethnic groups in Baluchistan and *Azerbaijan*, have become more vocal in their demands for a degree of provincial autonomy.

But yesterday's fighting was the first case of active warfare in the pursuit of these demands. No reason was given why the fighting actually broke out.

Together with the show of *strength* in Tehran by forces loyal to the Ayatollah's aim of an Islamic republic, the Kurdish fighting is yet another example of individual groups making open and often forceful demonstrations to ensure that their views are heard.

No trouble was reported during yesterday's marches in Tehran and most of the spectators openly approved of the servicemen's gesture of allegiance to the Ayatollah.

The servicemen were joined by local police units as they marched. One demonstration was led by a drum and bugle corps and garlands covered jeeps. Overhead, helicopter-gunships dropped leaflets of support.

Meanwhile, Iran has rejected charges by Afghanistan that thousands of soldiers have been sent across the border in disguise to make trouble for the pro-Soviet regime in Kabul.

Malaysia decides to boost development spending

BY WONG SULONG IN KUALA LUMPUR

DATUK HUSSEIN ONN, Malaysia's Prime Minister, told Parliament *yesterday that the* Government was increasing its development expenditure under the current third five-year plan by 73 per cent. This represents a major shift in emphasis half-way through the plan.

Government expenditure for development under the Third Malaysia Plan, which ends in 1980, would be increased from 18.6bn ringgits to 32.1bn ringgits (£7.1bn).

The Malaysian Prime Minister, who was presenting the mid-term review of the plan, said increased government intervention in the economy was necessary to sustain current growth targets in view of the depressed world economy, and the shortfall in the private sector.

Originally, under the Third Malaysia Plan, the private sector was assigned the leading role in stimulating investment and growth.

During the first three years of the plan, private investment grew by only 20 per cent, instead of the planned 33 per cent.

This shortfall was due to the sluggishness of the world economy, and uncertainty among local businessmen following the introduction of sweeping industrial legislation in 1975.

Datuk Hussein said between 1976-78 the Malaysian economy grew by 8.7 per cent annually in real terms, exceeding the plan's target of 8.4 per cent.

Per capita income in constant prices rose from 1,304 ringgits to 1,644 ringgits, while unemployment fell from 7 per cent to 6.2 per cent.

Satisfactory progress was also achieved in fighting poverty, with the incidence of poverty reduced *from 44 per cent in 1975 to 37 per cent last year.*

Datuk Hussein said the increase in public development expenditure would mean that public investment would increase by 9.2 per cent annually, instead of the 6.2 per cent as originally planned.

He was confident that funding would not pose a problem. As in previous plans, the bulk of the finance would be raised domestically.

Amin's forces gain ground

By John Worrall in Nairobi

PRESIDENT IDI AMIN'S troops appear to be pushing back into areas of south-western Uganda occupied by Ugandan *rebels and supporting* Tanzanian troops.

Radio Uganda claimed yesterday that President Amin had visited troops at Mbarara, described as the "front line."

A month ago the town was said to have been overrun by the rebels. Masaka, 75 miles south-west of Kampala, is still in rebel hands.

There was no confirmation yesterday of Uganda's weekend claims that, in the biggest battle of the war, 900 Tanzanian soldiers had been killed and 500 wounded. The battle would seem to have taken place at Lukaya, 80 miles from the Tanzanian border.

The *claim dovetails* with exile reports from Tanzania that 300 Libyans and Palestinians fighting for Amin had been killed and that a force of 800 Ugandan soldiers had been ambushed and encircled in the same area.

Observers believe that, though a battle probably did take place, casualty figures on both sides have been wildly exaggerated.

Iranian crown jewels on show

By Simon Henderson in Tehran

THERE WAS a time when the Iranian crown jewels were displayed simply by the Chancellor emptying out a sack. Indeed, Vita Sackville-West records that when she attended the coronation of the Shah's father in 1925, she plunged her hands "up to the wrists in emeralds." That was in the Golestan Palace in central Tehran. In 1938, the jewels were moved to Bank Melli. Since 1960 they have resided in an air conditioned vault, in carefully-lit cases in Iran's Central Bank.

They have a vital function in maintaining the country's economic stability. The gems themselves are priceless — Central Bank officials refuse to put a value on them. But by law they constitute three-quarters of the backing of Iranian currency — the rest *coming from such* variables as gold and convertible foreign currency reserves.

The effect of the collection is overwhelming. Where Vita Sackville-West plunged her hands up to the wrists, there are now shallow trays of emeralds by the thousands.

Most of the jewels predate the Pahlavis—the dynasty of the Shah and his father. And most, but not all, items are a gross display of extravagance.

They used to be on display daily, except Fridays. Since the revolution they have been on display only on Monday afternoon. For the equivalent of 50p, the ordinary Iranian citizen can enter the Central Bank and obtain visible proof that the Shah, now in Morocco, did not—contray to rumours—take it all with him.

Liability admitted

The South African Government has admitted liability for the death in detention three years ago of Mr. Joseph Mdluli, Quentin Peel reports from Johannesburg. Mr. Mdluli was arrested in Durban as an alleged member of a recruiting network for the banned African National Congress.

Lawyers acting for Mr. Mdluli's widow, who had sued Mr. Jimmy Kruger, the Minister of Police, for R29,000 (£17,000), said that an out-of-court settlement of R15,000 had been agreed.

NIGERIA'S ECONOMY EASES OUT OF RECESSION

The challenges awaiting civil rule

BY MARTIN DICKSON, RECENTLY IN LAGOS

HEARTFELT SIGHS of relief should be coming from the civilian politicians who are due to take over the Government of Nigeria in October: thanks to a rapid rise in oil production, the economy is slowly beginning to emerge from a sharp recession.

Oil output, which one year ago had slumped to crisis levels, is running at an all-time record of around 2.43m barrels a day and that means that Nigeria's most serious short-term economic problem—the balance of payments—is starting to assume more manageable proportions.

It will, of course, take some time for the effects of this to trickle through an economy which has been hit hard during the past 18 months, with real GDP growth *falling from an* estimated 10.8 per cent in fiscal 1976-77 to around 2 per cent in calendar 1978.

But there is a widespread expectation that by the last quarter of this year the economy would be showing visible signs of picking up—just in time for the new civilian leadership to claim some of the credit.

Certainly, no dramatic changes in economic policy are expected from the present military government in its last few months of office. Lt.-Gen. Olusegun Obasanjo, the Head of State, is expected to chart a fairly neutral course at the end of this month when he presents his final budget to the nation.

For the military rulers are anxious to bequeath to the civilians as robust an economy as possible. Rising oil earnings notwithstanding, economic good sense dictates that there can be little or no relaxation of the extremely tough measures introduced in last year's budget.

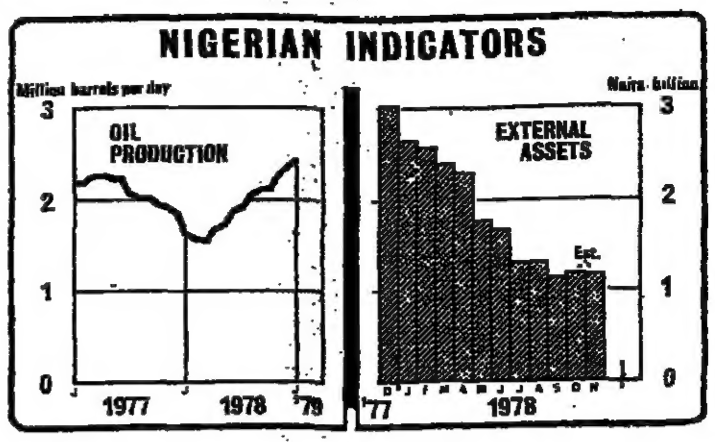
The 1978-79 budget marked an important turning point, psychological as well as physical, in the frantic and often ill-planned rush forward on all fronts which had marked the Nigerian economy since the 1973-74 oil boom.

Faced with continuing high inflation, mounting balance-of-payments difficulties and a level of deficit financing which could not be sustained indefinitely, the Government savagely applied the brakes to a badly overheated economy. Government spending was slashed back, major curbs were placed on imports and additional measures were taken to reduce liquidity and curb inflation. The inevitable result was a sharp downturn in economic activity across the board.

Now, however, the bottom of the trough has been reached, with higher oil output starting to *fuel a still very modest* recovery.

The fortunes of the oil industry, which provides over 90 per cent of export earnings and around 30 per cent of GDP, are crucial to Nigeria's economic health. Last year's crisis was cased largely by a dramatic slump in production, due in some measure to competition from North Sea and Alaskan crude but mainly because of a poor Nigerian pricing policy. Lagos was charging too much for its oil relative to Libya and Algeria and therefore suffered disproportionately when demand for African light crudes dropped.

Output reached a nadir of 1.52m b/d in March last year,



down 32 per cent on the same month of 1977, before a pricing policy more in line with the world market brought a steady recovery. By last August production was back above 2m b/d and still rising.

On top of this came the Iranian oil crisis, which gave an additional fillip to the demand for Nigerian crude, so that production has been running since the start of this year at around 2.43m b/d, a remarkable 49 per cent rise on January, 1978, and close to the upper limit of Nigeria's production capacity.

Irrespective of what happens in Iran, Nigeria should be able to sustain production levels above 2m b/d for the forseeable future, *provided its prices* remain right. Government officials are hoping to keep to a daily average production level of around 2.4m barrels throughout this year (1.91m b/d in 1978 and 2.09m b/d in 1977).

On the basis of the 14½ per cent OPEC price rise originally agreed for 1979, *this should* bring in earnings of naira 7.5bn (£6.25bn), compared with N5.6bn last year and N6.3bn in 1977. However, latest reports suggest Nigeria, together with Libya and Algeria, will impose an additional surcharge for its oil from the start of April.

All this means a measure of relief for the officials who have had a difficult time during the *past year juggling* with the Government's internal and external financial commitments against a background of sharply reduced oil earnings, a high flow of imports and rapidly diminishing foreign exchange reserves.

In the first six months of last year the country recorded a huge current account deficit of N1.75bn (N292m in the same period of 1977). *Visible trade* moved from a first-half surplus of N592m in 1977 to a deficit of N791m. The central bank's external reserves plummeted from N2.52bn at the end of 1977 to N1.02bn by the end of last September, even though the Government drew fully on its first $1bn Eurocurrency loan during this period.

Now, however, the picture is more encouraging. Not only is oil production up, but imports are sharply down, thanks to both the curbs introduced in last year's budget and the much-criticised scheme of pre-shipment inspection for imports which the Government intro*duced at the start of this year.*

This gradual improvement in the balance of payments is not producing any sense of complacency or euphoria in Lagos, for the Government's financial position remains tight in the short term. At the end of November the central bank's external re*serve stood* at just N1.06bn, little more than two months' imports. (Later figures are not available, but since November the Government has taken up its second major Eurocurrency loan, for $750m, which was fully drawn down by January.)

On top of this, both the federal Government in Lagos and the administrations in many of Nigeria's 19 states have substantial unfunded, unofficial *short-term debts to pay off*, both in naira and foreign currency.

It is difficult to gauge the precise level of these debts, but they are said in some states to amount to well over 10 per cent of the total estimated budget and run into tens of millions of naira. Some foreign construction companies have simply ceased operating in Nigeria until they are paid for work done.

Moreover, while the external accounts are beginning to look more healthy, the new civilian Government will still inherit a host of extremely complicated economic problems

These include a rate of infla*tion which has never been less* than 20 per cent a year since the start of the oil boom, difficulties in attracting major new foreign investment, production cost and price distortions which have made the economy increasingly import-orientated, stagnating agricultural production and a disturbing gulf between rich and poor.

But will a civilian administration adopt the cautious, realistic approach to the economy now evident in government ministries? In the short-term, its hands will be tied to some extent by the present Government's allocation of budgetary resources and by the outline programme *for* the 1980-85 development plan, which will lay strong emphasis on the consolidation and maintenance of existing resources.

However, the politicians will be under strong pressure to deliver something to the electorate, possibly in the form of a December mini-budget or an expansionary budget in April 1980.

One of their most immediate *challenges* is likely to be on the labour front, where strong pressures have been building up for a relaxation of the Government's tough wage-restraint policy.

LEGAL NOTICES

No. 00637 of 1979

In the HIGH COURT OF JUSTICE Chancery Division Companies Court. In the Matter of PARWAY LAND AND INVESTMENTS LIMITED and in the Matter of THE COMPANIES ACT, 1948

NOTICE IS HEREBY GIVEN that a petition for the winding up of the above-named Company by the High Court of Justice was on the 26th day of February 1979 presented to the said Court by THE COMMISSIONERS OF INLAND REVENUE, of Somerset House, Strand, London, WC2R 1LB, and that the said Petition is directed to be heard before the Court sitting at the Royal Courts of Justice, Strand, London, on the 2nd day of April 1979, and any creditor or contributory of the said Company desirous to support or oppose the making of an Order on the said Petition may appear at the time of hearing in person or by his Counsel for that purpose, and a Copy of the Petition will be furnished to any creditor or contributory of the said Company requiring the same by the undersigned on payment of the regulated charge for the same.

ERIC MOSES,
Solicitor of Inland Revenue,
Somerset House, Strand,
London WC2R 1LB.

NOTE—Any person who intends to appear on the hearing of the said Petition must serve on or send by post to the above-named notice in writing of his intention so to do. The *notice must state the name and address* of the person, or, if a firm, the name and address of the firm, and must be signed by the person or firm, or his or their Solicitor (if any) and must be served, or, if posted, must be sent by post in sufficient time to reach the above-named not later than four o'clock in the afternoon of the 30th day of *March* 1979.

No 00745 of 1979

In the HIGH COURT OF JUSTICE Chancery Division Companies Court. In the Matter of D. GOLDSTEIN (HARDWARE) LIMITED and in the Matter of THE COMPANIES ACT, 1948.

NOTICE IS HEREBY GIVEN, that a Petition for the Winding up of the *above-named Company by the High* Court of Justice was on the 6th day of March 1979, presented to the said Court by BOURGEAT S.A. whose registered office is situate at B.P. 19 38490 Les Abrets, France, and that the said Petition is directed to be heard before the Court sitting at the Royal Courts of Justice, Strand, London, WC2A 2LL, *on the 9th day of April* 1979, and any creditor or contributory of the said Company desirous to support or oppose the making of an Order on the said Petition may appear at the time of hearing, in person or by his counsel, for that purpose; and a copy of the Petition will be furnished by the undersigned to any creditor or contributory of the said Company *requiring such copy on payment of* the regulated charge for the same.

HERBERT OPPENHEIMER,
NATHAN & VANDYK,
20, Copthall Avenue,
London EC2R 7JH.
Ref. TI/KGO/JK78/6687.
Solicitors for the Petitioner.

NOTE—Any person who intends to *appear on the hearing of the said* Petition must serve on, or send by post to, the above-named notice in writing of his intention so to do. The notice must state the name and address of the person, or, if a firm the name and address of the firm *and* must be signed by the person or firm, or his or their solicitor (if any) and must be served, or, if posted, must be sent by post in sufficient time to reach the above-named not later than four o'clock in the afternoon of the 6th day of April 1979.

No. 00746 of 1979

IN THE HIGH COURT OF JUSTICE Chancery Division Companies Court. In the Matter of TONY WENTWORTH SUEDE LIMITED and in the Matter of The Companies Act, 1948.

NOTICE IS HEREBY GIVEN, that a Petition for the Winding up of the above-named Company by the High Court of Justice was on the *6th* day of March, 1979 presented to the said Court by TONY WENTWORTH SUEDE LIMITED whose registered office is at 15, Hanover Square, London, W.1, manufacturers of and wholesale and retail dealers in leather hides, skins and the like, and that the said Petition is directed to be heard *before* the Court sitting at the Royal Courts of Justice, Strand, London WC2A 2LL on the 9th day of April 1979, and any creditor or contributory of the said Company desirous to support or oppose the making of an Order on the *said Petition may appear at the time* of hearing, in person or by his counsel, for that purpose; and a copy of the Petition will be furnished by the undersigned to *any* creditor or contributory of the said Company requiring such copy on payment of the regulated charge for the same.

EDWIN COE & CALDER WOODS,
of 2 Stone Buildings,
Lincoln's Inn,
London, WC2A 3XE
Solicitors for the Petitioners.

NOTE—Any person who intends to appear on the hearing of the said Petition must serve on, or send by post to the above-named notice in *writing of his intention so to do.* The notice must state the name and address of the person, or, if a firm the name and address of the firm and must be signed by the person or firm, or his or their solicitor (if any) and must be served, or, if posted, must be sent by post in sufficient time to reach the above-named not later than four *o'clock in the afternoon of the 5th day* of April, 1979.

No. 00813 of 1979

In the HIGH COURT OF JUSTICE Chancery Division Companies Court. In the Matter of JOHN CONTEH LIMITED and in the Matter of The Companies Act, 1948

NOTICE IS HEREBY GIVEN, that a Petition for the Winding up of the above-named Company by the High Court of Justice was on the 15th day March 1979, presented to the said Court by UNITED DOMINIONS TRUST LIMITED whose registered office is situate at 51 Eastcheap, London, EC3P 3BU (Bankers), and that the said Petition is directed to be heard before the *Court sitting at the Royal Courts* of Justice, Strand, London, WC2A 2LL on the 30th day of April, 1979, and any creditor or contributory of the said Company desirous to support or oppose the making of an Order on the said Petition may appear at the time of hearing, in person or by his counsel, for that purpose; and a copy *of the Petition will be furnished by the* undersigned to any creditor or contributory of the said Company requiring such copy on payment of the regulated charge for the same.

M. J. SECHIARI,
51, Eastcheap,
London, EC3P 3BU.
Ref TCH/MD. Tel. 01-623 3020.
Solicitor for the Petitioner.

NOTE—Any person who intends to appear on the hearing of the said Petition must serve on, or send by post to, the above-named notice in writing of his intention so to do. The notice must state the name and address of the person, or, if a firm the name and address of the firm and must be signed by the person or firm, *or his or their solicitor (if any) and* must be served, or, if posted, must be sent by post in sufficient time to reach the above-named not later than four o'clock in the afternoon of the 27th day of April, 1979.

COMPANY NOTICES

CANADA-UNITED KINGDOM FREIGHT CONFERENCE
NOTICE TO IMPORTERS IN THE U.K.
TRAFFIC FROM CANADA
CUSTOMS CLEARANCE CHARGES IN THE U.K.

Importers are hereby informed that, as a result of continued increases in costs the scale of charges applicable when customs clearance services are performed by the member lines of the above conference on cargo imported from the Canadian Maritime St. Lawrence River and Great Lakes Ports cannot continue to be held at their present non-compensatory level and will be revised with effect from 1st May, 1979, as follows:—

Preparation, presentation and lodging of prime customs entries excluding baggage substance. Note: When post entry is required an additional charge of Pds 14.00 will be assd.	Pds	14.00
Baggage substance. Note: The foregoing charges apply to entries containing one or two H.M. Customs Tariff items. Entries containing more than two tariff items to be subject to an additional Pds 2.32 per additional heading or line.	Pds	12.00 per entry
Adjustment for	Pds	9.00 per entry
Presentation and lodging of entries prepared by importers	Pds	9.00 per entry
Attendance and supervision— House-to-house and pier-to-house containers	Pds	7.00 per container with a maximum of Pds 42.00 per consignment
House-to-pier containers and L.C.L. cargo— Up to 10 tons	Pds	7.00 per consignment
Over 10 tons	Pds	0.85 per ton with a maximum of Pds 42.00 per consignment

H.M. Customs examination, where incurred, to be charged at actual cost.

Atlantic Container Line G.I.E.
Canadian Pacific Steamships Ltd.
Dart Containerline Company Ltd.
Hapag-Lloyd A.G.
Manchester Liners Ltd. | Joint
Golden Cross Line Ltd. | Membership

CANADIAN ATLANTIC FREIGHT SECRETARIAT LTD.,
Secretaries.
Cunard Building,
Liverpool L3 1SS.
March 1979.

NOTICE TO BONDHOLDERS
SAAB-SCANIA AKTIEBOLAG
U.S. $50,000,000 8½% Bonds due 15th March, 1989

Pursuant to the terms and conditions of the Bonds, notice is hereby given that during the twelve-month period beginning on 15th March, 1978, the Company has purchased U.S. $2,500,000 principal amount of the subject Bonds in satisfaction of the Purchase Fund requirements.

As of 16th March, 1979, the principal amount of such Bonds remaining in circulation was U.S. $45,000,000.

FOR SAAB-SCANIA AKTIEBOLAG
CITIBANK, N.A.

London
20th March, 1979

TATE & LYLE, LIMITED

NOTICE TO HOLDERS OF BEARER SHARE WARRANTS

NOTICE IS HEREBY GIVEN to holders of Bearer Warrants for Ordinary Stock of the Company that a final dividend on the Ordinary Stock of 1.05p net in respect of the year ended 30th September, 1978, together with an interim dividend of 2.50p net on account of the year ending 30th September, 1979, will be paid on or after 4th April, 1979, to holders of Bearer Warrants upon presentation of Coupon No. 44. [illegible] Warrant Holders who are employees or pensioners of Tate & Lyle, Limited or of any of its Associated Companies [illegible] must present their coupons to the Company at the address shown below through an Authorised Depositary (e.g. a Banker, Solicitor or Stockbroker) on or after 4th April, 1979.

J. E. WRIGHT, Secretary.
14th March, 1979.
Sugar Quay,
Lower Thames Street,
London EC3R 6DQ.

VIDASCOPE FINANCE LIMITED

NOTICE IS HEREBY GIVEN, pursuant to section 293 of the Companies Act 1948, that a meeting of the Creditors of the above-named Company will be held at Regis House, King William Street, London EC4 on Friday, 30th March 1979 at 3 p.m. for the purposes mentioned in sections 294 and 295 of the said Act. Dated 14th March 1979.

By Order of the Board,
D. MAKINS, Director.

CONTRACTS AND TENDERS

THE ENTREPRISE TUNISIENNE D'ACTIVITIES PETROLIERES (ETAP)

a Tunisian public institution acting for the Tunisian State calls for an international tender for the attribution by the Tunisian State of two off-shore Blocs open for exploration, located east of the Kerkennah Islands in the Gulf of Gabes Tunisia:

- Approximate General Location Area:
  34° 30'—35° 00' North
  11° 30'—12° 12' East.
- Bloc One: "Gabes Septentrional Est" covering about 550 km².
- Bloc Two: "Gabes Septentrional Ouest" covering about 2,400 km².

Interested oil companies are invited to consult and retrieve, starting April 2, 1979, from ETAP (Exploration Department), 11, Avenue Kheireddine Pacha, Tunis, Tunisia. Telex 12128, Tel. 287 188, all tender documents which consist of:

- A standard joint venture agreement which will be signed between ETAP and the successful company at a later date.
- A standard convention and a memorandum of obligations to be signed at a later date between the Tunisian State on one hand and ETAP and the successful company on the other.
- Available technical documents to be consulted in ETAP's offices.

Upon consultation and retrieval of above listed documents, against payment to ETAP of 50 Tunisian Dinars, oil companies have until May 15, 1979, to forward to ETAP their sealed bids.

Argentina and UK to restore ambassadors

BY DAVID TONGE

BRITAIN and Argentina are to restore ambassadorial relations, the two Governments confirmed yesterday.

These relations had been broken off by Buenos Aires in 1976 because of the dispute about sovereignty over the Falkland Islands. The islands are believed to have potential oil reserves and are rich in fish.

Relations between the two countries were strained when Argentina occupied the Falkland island of Thule 1,400 miles east of South America. Argentina is now interested in nuclear and oil co-operation

On Wednesday, delegations from the two countries meet in New York for the latest round of talks on Anglo-Argentine relations.

The emphasis is to be on economic co-operation, but diplomats say that the initial terms of reference agreed in April, 1977 for such talks allow the question of sovereignty also to be broached.

Diplomats insist that no proposals on this subject would be put to the British Parliament unless they were acceptable to the Falklanders as a whole.

Representatives of the Falkland islanders said in London last night that they welcomed restoration of relations at ambassadorial level so long as it implied recognition of the islanders' rights to remain British as long as they wished.

The Foreign Office echoed this view, saying that the development had no implications for British policy towards the islands.

The Foreign Office also made it clear that restoration of ambassadors did not signify any change in British attitudes towards human rights in Argentina. Human rights organisations estimate that at least 15,000 people have "disappeared" since the present régime took power.

The Committee for Human Rights in Argentina last night described as "totally wrong" the UK's decision to grant the Argentina junta full diplomatic recognition.

The British suggest that the junta's record has been improving and report that a committee from the Organisation of American States is to visit Argentina in the next two months.

U.S. HOUSING FINANCE

Lifebelt for home loans industry

BY STEWART FLEMING IN NEW YORK

THE U.S. banking authorities last week threw a lifebelt to the American savings industry, parts of which had begun to ship water at a disturbing rate.

The federal regulators moved to reduce the rate of interest the savings and loan associations and mutual savings banks were paying on $70bn of six-month savings certificates. The objective is to alleviate a profits' squeeze which officials concede was beginning to threaten the viability of some savings institutions, in a sector which has lent some $500bn to Americans to buy their own homes.

But economists warn that the price of helping the savings and loan associations and mutual savings banks could be high.

As a result of the new regulations these institutions are less attractive as a home for savings. That could mean that another nail has been driven into the inflationary housing boom which has gripped the country for the past three years, at a time when many are anticipating a general downturn in economic activity.

Already, barely a week after the new regulations came into effect, savings associations are reporting signs of a sharp slowdown in the flow of funds into the certificates. If this proves to be more than a temporary reaction, it will begin to hit the supply of funds to the housing industry.

Housing starts in January and February are already sharply down, but this reflects weather conditions. Just how much of a slowdown is developed in the housing market will not be clear until March and April's figures are available.

Whatever the outcome, the actions to help the savings industry have exposed the fumbling hand which has guided financial policy in relation to the housing industry over the past year.

In the middle of last year there were fears that rising interest rates would tempt savings away from thrift institutions which could offer returns of only 8 per cent, and then only for eight year deposits.

If this had happened, the housing industry might have been propelled into a recession which eventually could have dragged the rest of the economy down with it.

The solution decided on by policymakers who wanted to keep the economic expansion moving was to allow thrift institutions and commercial banks to issue six months savings certificates with returns pegged to six month treasury bill rates.

To the astonishment of the policymakers in Washington, funds poured into the new certificates with much of the money simply shifting from low paying savings accounts. Thus in the past nine months close to $105bn has been pumped into the new certificates by yield-conscious savers, who in recent months have been getting interest at annual rates of 10 per cent and more.

This proved to be good for the housing industry—too good.

Savings associations in the U.S. home loans business have experienced a huge investment boom because of the high interest rates they pay to savers. But because the rates charged to home buyers in some states are legally limited, a profit squeeze threatened the associations forcing the the banking authorities to intervene.

in fact, since it added fuel to the inflationary fire in the housing market and in the economy.

But it was becoming a potential disaster for the institutions which finance housing. In some 13 states usury laws prevent home loan rates from rising above 10 per cent. The result is that with their cost of funds, but not their lending rates, rising sharply, the savings industry began to experience a profits squeeze.

The squeeze was coming at a particularly unfortunate time since the savings industry needs to add profits to its reserves in order to match the spectacular growth of deposits over the past five years. The reserve requirement is averaged over a five-year period so that the reserve burden is likely to continue to rise even if deposit growth stops and profitability slumps.

Last week's decisions will knock just under 1 percentage point off the rate of interest which the savings associations and savings banks can pay on the six-month certificates. In relation to $70bn of assets accounting for 10-15 per cent of deposits, this soon adds up.

But it is no panacea. For one thing, as the six month certificates have become less attractive, other forms of savings, including short-term Treasury securities and money market investment funds, have become more competitive. In the past five months alone, $5bn has been invested in the money market.

Funds which are still paying close to 10 per cent often require minimum deposits of only $1,000 compared with $10,000 for the six months certificates, and in some cases allow the investor to write cheques against the funds.

There are fears, therefore, that the funds which have flowed into the six months certificates may be shifted just as quickly elsewhere. A rush of maturities is the last thing a savings association wants to see. The extent of this danger

Wheat trading starts again amid court fight

BY DAVID LASCELLES IN NEW YORK

TRADING IN March wheat futures resumed on the Chicago Board of Trade yesterday morning while a court battle was going on between the Board and the Commodity Futures Trading Commission (CFTC) over whether the March contract should be closed because of alleged market manipulation.

Defying a CFTC order suspending the March contract, and backed by a last minute decision by the local courts on Sunday afternoon, the Chicago Board allowed trading in the contract yesterday, for liquidation or actual delivery only.

But the CFTC was meanwhile appealing against the court's ruling, and was prepared to take the case up to the presiding judge for the Seventh Circuit, Mr. Justice John P. Stevens. By mid-day it was still not clear what the outcome would be.

The CTFC, which polices the commodity futures markets, is acting because of what it fears is the danger of a "severe market disruption" due to large, long, open positions taken up by a small group of four speculators in the March contract.

The amount represented by their positions, which account for 80 per cent of open, long positions, far exceeds the amount of appropriate quality wheat available for delivery, the CFTC says. It fears that speculators holding short positions will be forced to pay excessive prices to close their interest.

The Chicago Board, however, says there is no imminent danger, and it believes it can restore order to the market by allowing speculators to liquidate their positions, and continue trading in the March contract until it closes on Wednesday. The CFTC wants trading in the contract to be halted altogether.

Apart from highlighting the current state of the wheat futures market, the case has attracted a lot of attention because of the forceful position adopted by the CFTC, which is only four years old and appears to be seeking to assert its authority.

This is the first time a suspension of this kind has ever been ordered, and the commodity markets fear that if it is successful, it will lead to further interference by the regulatory bodies in the free market system.

EEC energy chief meets Schlesinger

Herr Brunner

Herr Guido Brunner, the European Commissioner for Energy is to meet Dr. James Schlesinger, the U.S. Energy Secretary, in Washington revolution and energy-outlook after the Iranian revolution and energy-saving action by the main oil consuming countries.

The Commissioner will outline a proposal for regular informal contacts at export level between oil producers and consumers for the exchange of economic data and forecasts.

He is also to meet Mr. Frank Press, chief scientific adviser to President Carter, and sign an agreement on research into nuclear security and reactor safety.

Hanging set to stay in Bermuda

CAPITAL punishment looks set to remain in Bermuda. While a Royal Commission report on crime agrees that the death penalty should be abolished in some cases, it recommends it should remain for the murder of policemen, prison officers on duty, and murder by explosives or shooting.

The Commission was established two years ago by Sir Edwin Leather, the former Governor, to examine the causes and prevention of crime. Eight commissioners were appointed and their findings have just been made public.

Only two members, Mr. Julian Hall and Mrs. Aurelia Burch, called for total abolition of hanging. The majority agreed in the 44-page report that capital punishment was a deterrent where those at risk were police or prison staff.

The murder of a person by shooting should still carry the death penalty to discourage the carrying of firearms, the report adds.

"The experience of other countries indicates that when violence is deliberately used as a political tool, the gun and the bomb are the likely weapons."

Other major recommendations include:

Prison officers should consider subjecting short-term prisoners to exhausting and unpleasant, but not brutal, physical activity.

Every effort should be made to "Bermudianise" the police

A Committee of Mercy should be set up to review every death sentence.

Trinidad expands gas production

BY DAVID RENWICK IN TRINIDAD

TRINIDAD AND Tobago's reserves of dry natural gas amount to at least 12,000bn standard cubic feet, according to Ryder Scott and Co., one of the world's leading experts in the field. This could be boosted to a level of 21,000bn cubic feet with additional drilling, the exploration of new acreage and advances in technology.

Making the first official announcement on gas reserves following the consultant's findings, Mr. Errol Mahabir, Minister of Petroleum and Mines, noted that the minimum figure of 12,000bn was enough to cover the needs of the Trinidad and Tobago Electricity Commission (T and TEC) and the major energy-using industries like steel, fertilisers, aluminium and methanol for the next 39 years and still leave a 4,000bn surplus.

This would allow a liquefied natural gas (LNG) plant of a capacity of at least 500m standard cubic feet a day (scfpd) to be established in Trinidad, with the likelihood that further sources of gas supply could raise this to 750m scfpd.

Consortium

In the event that the larger size was decided upon, a third U.S. company, Texas Gas Transmission, would be invited to become involved in the project, Mr. Mahabir said.

At the moment, the LNG project is being undertaken by a consortium in which the Trinidad and Tobago Government owns 51 per cent and Tenneco and People's Gas, both of the U.S. hold 24.5 per cent each.

A fourth foreign partner is also interested in participating in the Trinidad LNG facility, which Mr. Mahabir said was "now recognised as one out of the many proposed LNG plants throughout the world that is most likely to come to fruition."

Huffington Incorporated of Houston, which built the LNG plant at Badak, Indonesia, in five years and now operates it, has been co-opted as a technical partner in the design engineering stage, with a view to being offered part of the equity after the application to import LNG to the U.S. has been made to the U.S. Department of Energy.

Pipeline

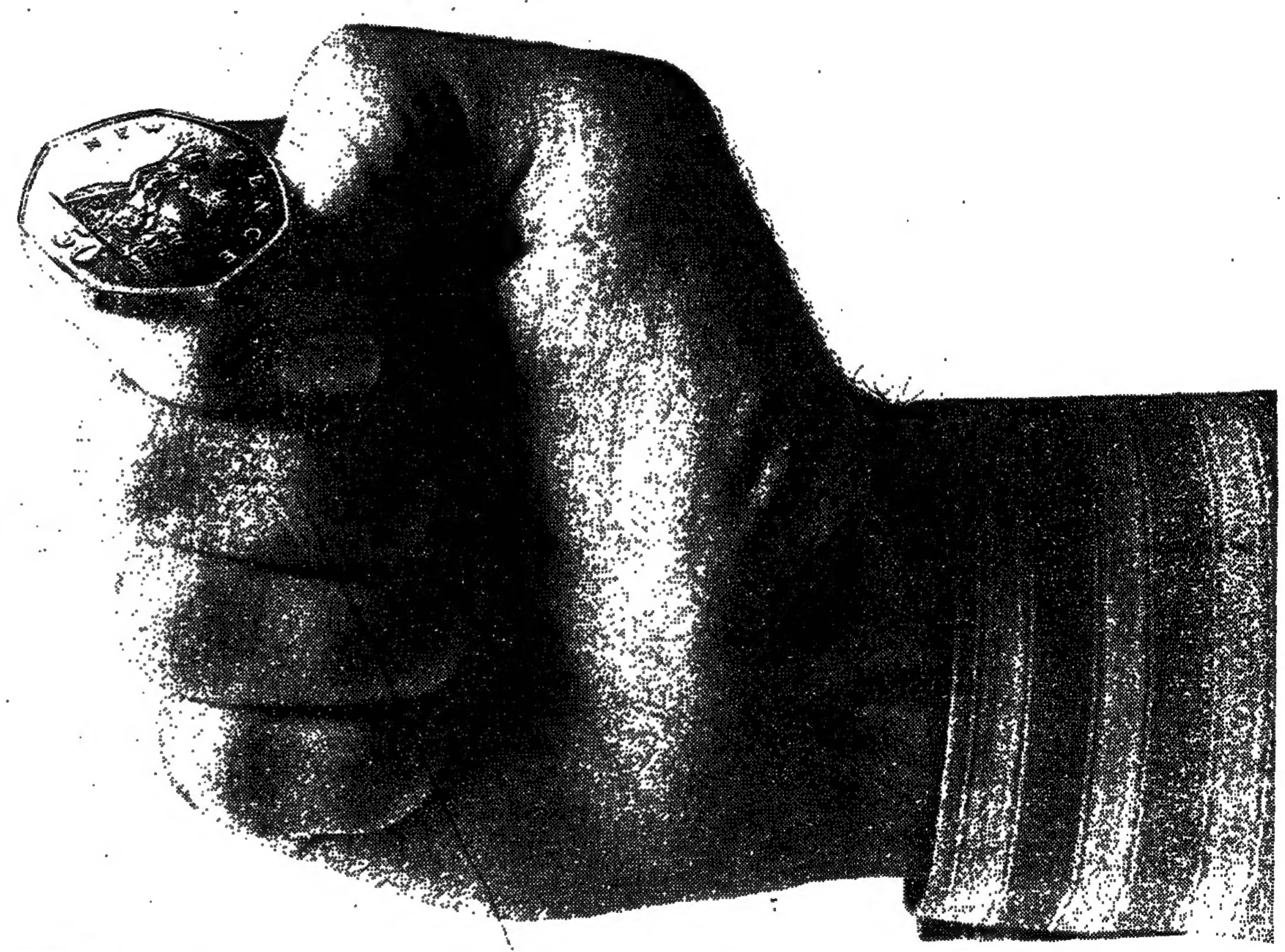
Another U.S. company, King Wilkinson, which also worked on LNG in Indonesia and Algeria, had earlier been engaged as engineering consultant for studies in connection with the pipeline and gathering facilities, liquefaction plant and shipping system necessary to prepare the documentation for the U.S. hearings.

Mr. Mahabir announced that the Government is going ahead with construction of its own platform off Trindad's east coast, for the collection and compression of 50m scfpd of low pressure gas associated with the production of crude by Amoco Trinidad Oil Company.

At the moment, the state-owned National Gas Co. uses Amoco's offshore platform facilities, although it controls its own pipeline for actual delivery of the gas to shore.

It is associated gas which is now used almost exclusively to fulfil the needs of electricity generation and the existing fertiliser plants. The availability of this gas is dependent on the rate of output of crude, however, and it played only a marginal part in the study done by Ryder Scott, which concentrated on dry gas fields.

Current utilisation of association gas is now 63 per cent and will increase to 75 per cent or more after the new processing platform is installed.



Japan, S. Korea oil exploration pact

BY RICHARD HANSON IN TOKYO

JAPAN and South Korea have reached a compromise which brings them a step nearer implementing long delayed plans for joint exploration for offshore oil and natural gas in the continental shelf lying between them. The two countries first agreed to joint development of the area back in 1974, but *numerous problems* have blocked implementation of the plan.

However late last week the two sides named the companies which will act as operators in the concession sectors for *exploration* and development of the fields by drawing lots. Until the compromise was reached Japan and S. Korea had had great difficulty in deciding who should operate the concession areas.

The companies involved in the various sub-sectors (one Japanese and one South Korean *concessionaire in each*) reached joint contracts over the weekend and submitted them to the Governments of both countries for final approval.

According to the Natural Resources and Energy Agency of Japan's Ministry of International Trade and Industry (MITI) government approval will probably come within the *next two months. Actual* exploration and test drillings may start this autumn.

The nine sectors of the concession area lie in the East China seas between the two nations, covering a total of 82.000 square kilometres. Two of the sectors will not be developed immediately.

There have been estimates that the area contains between 200-300m kilolitres of recoverable oil, but these are based only on preliminary guesses. The two countries will share the output of oil and gas equally.

The finding of substantial oil deposits near the two countries would be significant because of *the near total dependence of* both on oil imports. Even so the amount of oil available to Japan — if the preliminary estimates prove accurate—will be fairly small compared with its present annual consumption *of about 270m kilolitres.*

Four of the sectors will be explored by Japan Oil Development, a wholly owned subsidiary of the giant refiner, Nippon Oil, with the S. Korean concessionaire, Texaco, handling exploitation of any finds. In sub-*zone Seven, which accounts for* 40 per cent of the total area, the U.S.-based Hamilton Brothers will conduct the exploration for South Korea write Japan Oil Development carrying on exploration for Japan. In *Sub-zone eight. Taikoku* Oil will do the exploring on the Japanese side with Hamilton developing the oil on the S. Korean side.

The original agreement was signed in January, 1974, but *final approval* by the Japanese Diet of the law under which exploration would take place did not come until June, 1978. There have been numerous protests by China (not accepted by Japan) that its territorial waters were infringed on by the agreement. *As well as the disagreements* between Japan and South Korea themselves.

The companies involved still face the potentially complicated and time-consuming task of winning approval from the fisher-*men of both countries who make* extensive use of the concession areas. Troubles with Japanese fishermen have caused enormous problems in Japanese offshore oil exploration efforts. There have been some favour-*able results* recently in exploration in Japanese waters off Hokkaido and in the Sea of Japan, but these efforts are still very limited.

Shipbuilders at 32% capacity

BY YOKO SHIBATA IN TOKYO

JAPAN'S SEVEN major shipbuilders will operate at 32 per cent capacity during fiscal 1979. This is below the government guildeline of 34 per cent. Shipbuilders said the low operating rates means that Japanese shipyards are not *receiving enough orders to* break even.

In the first half of last year, Japanese shipbuilders engaged in fierce competition to win as many orders as possible, with prices at below cost in many cases to secure contracts to maintain their workforces. This practice however, generated huge losses mainly because of the sharp appreciation of the yen.

Plans envisaged last autumn to cut the shipyards' workforce have worked out better than expected. For example, Ishikawajima Harima Heavy *Industries (IHI) recently* invited 1,700 volutary retirements as part of the company's plan to trim 20 per cent of personnel expenditure for fiscal 1979—4,500 workers applied.

Among the seven major shipbuilders, Mitsui Shipbuilding and Engineering expects the highest operating rate, just above the government guideline of 34 per cent, Mitsubishi Heavy Industries (MHI) and Hitachi Shipbuilding have so far secured orders that will keep them operating at around 30 per cent and are aiming to *reach 34 per cent at the very* best. Nippon Kokan has set the lowest target. It expects to operate at 26 per cent capacity.

A 30 per cent operating rate is expected by Sumitomo Heavy Industries and 32 per cent aimed at by both Ishikajima-Harima Heavy Industries and Kawasaki Heavy Industries.

Rhone-Poulenc to increase market share

PARIS — Phone-Poulenc, the Franch chemical group, said yesterday it intends to develop its activities in Japan in the fields of pharmaceuticals, pure chemistry, plant care products and animal food additives.

It said it would increase its market share of pharmaceutical products already on the Japanese market and introduce new specialties, including sales of silicones and other high-technology chemicals such as aramatic fluoride *derivatives and* ethylvanilline.

It operates on the Japanese market through four subsidiaries: Rhone-Poulenc Japan which accounted for 75 per cent of overall Japanese sales in 1978; Laurier Aromatiques *sells* perfumes and artificial and natural flavourings: Showa-Rhodia, in co-operation with the *local firm* Showa Denko, manufacturers a herbicide used in rice cultivation: and Rhodia Yakuhin, in co-operation with Showa Denko and another local firm, Chugai, manufacturers and markets Rhone-Poulenc's phar-*maceutical products.*
AP-DJ.

Mitsui to suspend Iran project

TOKYO — Mitsui said yesterday it would suspend for three months from April 1 building of a \$3.25bn (£7.63bn) petrochemical complex at Bandar Shapur in Iran. Mitsui vice-president. Toshikuni Yahiro told a Press conference that Iran's national petrochemical company has agreed on the suspension.

Nearly 90 per cent of the project. being undertaken in a 50:50 joint Iranian Japanese venture has been completed.

Mr. Yahiro said it was difficult for Japanese construction workers to obtain visas to go to *Iran. All South Korean workers* workers have left the site

Mitsui plans to ask the Japanese Government to invest Y25bn. to replenish the joint venture's capital. Mitsui will also call on the Government to reduce and *shelve payments* of interest on official loans.

Work on the complex which includes an ethylene plant with an annual output capacity of 300.000 tonnes, had been scheduled for completion in 1980.

● Alumax—which is jointly owned by the U.S. metals company Amax, and Mitsui, and *Nippon Steel of Japan has* announced that Mitsui has agreed to provide 25 per cent of the financing for Alumax's planned aluminium smelter in South Carolina in exchange for 25 per cent of the output.

Meanwhile, Japanese business leaders will visit the U.S. in June for talks on bilateral trade problems, the federation of economic organisations, *Keidanren said yesterday.*

The businessmen, led by Keidanren President Toshiwo Doko, will attend a three-day conference from June 13 in Dallas to discuss opening Japan to more *foreign goods.*

In Tokyo, Mr. Henry Owen, special U.S. presidential assistant for external economic affairs, warned that protectionist sentiments were so strong in Congress that it would pass legislation to limit imports if the current strained bilateral trade relations remain unchecked.

Mr. Owen made the remark *when he met Japanese* Foreign Minister, Sunao Sonoda, one day after arrival to participate in a meeting to prepare for the Tokyo economic summit of seven industrialised nations in June.
Agencies

Algerian fertiliser plant

TOKYO — A consortium of one Polish and two Japanese companies has signed a Y780bn (£200m) contract with Algeria's state-run oil and gas corpora-*tion. Sonatrach,* to build two integrated chemical fertiliser plants in Algeria.

Consortium member Hitachi Shipbuilding and Engineering said the plants would be completed in Tebessa and Annaba, in northern Algeria, by the end of 1982.

The other consortium members are Polymex-Cekop of Poland and Marubeni Corporation.

The contract value to be paid in cash will be covered with a buyer's credit to be supplied by the Export-Import Bank of Japan.
Reuter

Chinese minister in Tokyo to discuss trade accord

BY OUR TOKYO CORRESPONDENT

CHINESE VICE foreign trade minister, Mr. Liu Xiwen, arrived *in Tokyo over the weekend for* talks on the Japan-China long-term trade agreement, but it appears that few concrete decisions will be taken.

China is in the process of revising its own long-term economic development plans, probably to a more moderate pace than thought possible earlier. In the past month Japan *has received notification of* delays in completing contracts on about Y560bn in projects negotiated through the latter part of 1978 because of financial problems.

There has been little progress so far in working out appropriate financing with the Japanese. Private commercial banks are haggling with the Bank of China over the spreads it will accept on commercial dollar loans. At the same time, the Chinese appear certain to *reject a Japanese Government* plan that it accept Yen credits from the Export and Import Bank of Japan.

During talks early this week with Mr. Liu, the Japanese ex-*pect agreement will be reached* on extending the term of the 1978-85 trade agreement, reached last year, through 1990. In the current eight-year pact, the volume of trade is projected to reach \$20bn. The Chinese are reportedly reluctant to set any volume goals for an extended period.

AP-DJ adds: Four Chinese trade corporations are to open offices in Tokyo soon to step up business activities in Japan. A *spokesman for the Japan Asso*-ciation for the promotion of International Trade said China's National Produce and Animal By-products Import-Export Corporation will be first, followed by the National Technical Import Corporation, National Machinery Import-Export Corporation and National Textile Import - Export Corporation. *Initially the offices will* be located at hotels in Tokyo. Chinese officials will be given six-month business visas.

Malaysia urges Peking to reduce imbalance

BY WONG SULONG IN KUALA LUMPUR

MALAYSIAN AND Chines officials have finalised the principles for a trade agreement, following the visit of the Chinese Foreign Trade Minister, Mr. Li Qiang to Malaysia last week.

The agreement, which will provide for greater direct trade between the two countries, will probably be signed when Datuk Hussein Onn, the Malaysian Prime Minister, visits Peking in May.

Mr. Li, who left here for Singapore yesterday, was told that Malaysia was unhappy with the present practice whereby "large quantities of Chinese exports to Malaysia were handled through Hong Kong and Singapore. Malaysia also wants China to reduce the trade imbalance, which is *heavily* in China's favour.

Malaysia has offered to build palm oil refineries in China as an incentive to the Chinese to buy more Malaysian palm oil. At present the Chinese buy *palm oil for making soap.* But Malaysian officials feel there is a large potential market if the Chinese could be persuaded to use palm oil for cooking.

German textile orders fall

FRANKFURT — New orders to the West German textile industry fell 7.5 per cent in January from a year earlier, reversing an upward trend experienced in the second half of 1978, the textile industry association, Gesamttextil, reported yesterday.

It said incoming orders rose 5 per cent in the second half of 1978 over the year-earlier period, compared with a 2-per cent increase in the first half of 1978 over the first half of 1977.

Meanwhile German textile imports rose 6.3 per cent to DM 20.66bn (£5.58bn) in 1978, while exports rose 4.1 per cent to DM 13.9bn producing an overall deficit of DM 6.76 bn, an increase of 11.2 per cent on 1977, Gesamttextil said.
Agencies

Irish exports show big February rise to £260m

BY STEWART DALBY IN DUBLIN

IRISH EXPORTS have shown an appreciable increase after poor performances in December and January.

Exports for February were worth £260m, a rise of over 28 per cent on the same month a year ago. Imports, however, also continued to rise. They cost £317m for February, an increase of 25 per cent over the comparable month.

Ireland never quite manages a surplus on its visible trade. At the end of calendar 1978 the trade deficit was just short of £700m. Exports rose over the year by 19 per cent to nearly £3bn and, although this was a good performance, it fell short of the 27 per cent rise predicted earlier in the year.

Since then the Irish Export Board has been concerned about the drop in sales abroad. Exports remained static in December and actually fell when price increases were taken into account. The January figures also showed a failure to improve performance.

The Export Board, the State body, attributed the poor figures to the effect of the bad winter and the British lorry drivers' strike. Nevertheless, there has been concern about the poor trend of exports in the past six months, leading some observers to suggest the country has developed a structural problem in its exports.

This concern has been heightened by Ireland's membership of the EMS.

Ireland's exports to Britain still account for 47 per cent of the total. While half of this figure is agricultural goods, which are covered by the Common Agricultural Policy, there are still about 1,500 small industrial companies whose sales to Britain could be adversely affected by a divergence in the two countries' currencies in favour of the pound against the punt.

Czech visit for Trade Secretary

Financial Times Reporter

MR. JOHN SMITH, the UK *Trade Secretary, is to visit* Czechoslovakia from Thursday to Saturday, March 22-24.

In his first visit to a Comecon country as Trade Secretary, Mr. Smith will hold economic and trade talks with Czech Ministers and officials. His host will be Mr. Andrei Barcak, Federal Minister for Foreign Trade.

$50m Syrian LPG plant

BY RAMI G. KHOURI IN AMMAN

INDUSTRIAL EXPORT of Romania has been awarded a Syrian £200m (about \$50m) con-*tract to provide and build a* liquefied petroleum gas (LPG) plant in northern Syria, Oil Minister Issa Darwish told the Financial Times in Damascus last week. The plant, which will have an annual output of 58,000 *tons of liquefied gas,* is scheduled to come on stream by the beginning of 1982 and will provide gas for northern Syria.

● Kuwait and Hungary have signed three separate agreements for co-operation in the medical, information and civil aviation fields, AP-DJ reports from Kuwait. The agreements followed talks between Kuwaiti Ministers and Hungary's Prime Minister, Mr. Gyoergy Lazar, who is currently on an official visit here. Mr. Lazar is also *understood* to have discussed the possibility of joint ventures between the two countries and the purchase of Kuwaiti oil.

Gas turbine units for Hong Kong

THE FIRST of two packaged industrial gas turbine generating sets, each rated at 65 MW and forming part of a contract *worth* about £8m, has been shipped by GEC Gas Turbines of Whetstone, near Leicester, for installation by the Kowloon Electric Supply Company at the Hok Un power station in Hong Kong.

The second *machine*, complete with anxiliary equipment, is scheduled for shipment in October. Both units are to be used to supplement the existing steam turbine power plant at the station.

TV contract

Pye TVT, the Cambridge-based broadcast company of Philips, is to supply sound-in-sync equipment to update the Austrian national television distribution system in a contract worth more than £250.000. Sound-in-sync is a method of encoding the sound part of *the programme signal* into the vision signal.

Trade envoys

Senior representatives of seven big Canadian electrical power equipment producers arrive in London next week at the start of a four-country tour, which includes visits to Kenya Tanzania and Egypt. They want to contact UK organisations active in Europe, East Africa and Egypt.

WORLD AIR FARES

Soaring costs make rises certain

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

AIR FARES are now considered certain to be raised this spring by most of the world's airlines because of soaring fuel costs.

Spot shortages of aviation fuel, which have caused some flight cancellations in the U.S., have not yet become a serious problem in Europe, although some shortages have emerged. The possibility of some cuts in *summer schedules cannot* be discounted if shortages become more widespread.

The member-airlines of the International Air Transport Association meet in Geneva on March 28 to consider the effects *of rising fuel bills,* and fares increases are regarded as inevitable, varying widely according to region but probably averaging 5 per cent.

With fuel costs averaging between 47 and 50 cents a U.S. gallon (compared with about 44 cents at the beginning of the year), it is thought that further rises in the pipeline will result *in an average of 60 cents* by the spring and early summer.

If the trend continues, an average of 70 cents a U.S. gallon by the end of the year is not thought impossible. Airlines will try to meet this by introducing fuel conservation *programmes, making more* use of wide-bodied jets, each carrying more, and by trimming flight frequencies.

But the overall net effect is still likely to be that fuel costs, now averaging 22 per cent of all airline costs, could rise to perhaps 30 per cent by the year-end.

Because of rises in other costs — labour, landing fees, navigation charges and so on—the airlines do not see how they *can avoid passing them on* in higher fares.

Only a few fuel shortages have emerged in Europe, as the effects of the Iranian cut-off have worked their way through the global pattern of aviation gasoline distribution. But the *effect* is patchy, and some airlines have had no problems.

Aviation gasoline stocks in Europe are reported to be sufficient for several weeks, and the situation may improve as limited crude supplies again *become* available from Iran, although at higher prices.

Just how long this situation will last, no one knows, but it is feared that if a fuel "scramble" arises this summer, especially when the summer schedules begin, involving many more flights, prices could go higher than those already anticipated.

The European picture is more encouraging than that in the U.S., because of the special factors which have affected the latter.

These have included the U.S. Government's deregulation policy on air routes, which has *created many more flights this* year than last, resulting in another 150m gallons of aviation fuel a year being sought.

Another factor has been the aviation fuel price decontrol, which many airlines thought would ease a tight fuel situation by encouraging more refiners to make jet fuel because of the higher prices they could get. This has not happened.

The *severity of the* U.S. winter also increased demand for heating oil, which comes from the same part of crude oil used to produce aviation gasoline.

But overall, the airlines *world-wide do not believe* that the fuel situation is likely to impair expansion plans, especially those for new jet fleets.

● The U.S. Civil Aeronautics Board has suspended plans by some transatlantic airlines to *raise fares on the North* Atlantic from April 1, on the grounds that the increases were not in line with the board's policy of bringing increased competition onto Atlantic air routes. The airlines, including *British Airways and Pan* American, will be obliged to submit new fares more in line with the board's policy.

Lufthansa, the West *German airline, yesterday* refuted weekend suggestions that it plans to introduce a further cut in fares on its North Atlantic routes beyond those already announced, Jonathan Carr writes from Bonn.

Micro-electronics 'may create 1m more jobs'

BY MAX WILKINSON

THE MICRO-ELECTRONICS revolution is likely to create more than 1m extra jobs in Western Europe and the U.S. during the next decade, Arthur D. Little, the U.S. consultants, say after a £1m study of the subject.

They reached their conclusion after a three-year examination of markets for micro-electronic devices in the U.S., France, West Germany and the UK.

Mr. Jerry Wasserman, leader of the study group, said in London yesterday that although some industries would decline, the fast growth of newer sectors would provide a net increase of at least 1m extra jobs overall.

He was introducing the study—The Strategic Impact of Intelligent Electronics in the U.S. and Western Europe, 1977 to 1987—which was undertaken for 60 clients and costs $35,000 (about £17,500).

"We believe that micro-electronics will create new wealth," he said. "In the four industries which we have studied this extra wealth will amount to between $30bn (about £15bn) and $35bn (£17.5bn) by 1987 at 1977 prices."

Although company productivity would increase, historical evidence suggested that overall productivity in the industries studied, would rise only slowly to perhaps $40,000 per employee by 1987.

Extra wealth

This implied that about 800,000 people would be required to produce the extra wealth predicted from the market studies. If the effect on subsidiary industries was included, extra employment would exceed 1m. About 60 per cent of the extra jobs could be expected to be in the U.S. and the rest in Europe, but Mr. Wasserman said it was impossible to predict which European countries would take most advantage of the new opportunities.

He is to brief ministers and senior Government officials this week on the implications of the study.

The consultants examined the consumer market, business communications, the industrial sector and the automotive industry. Findings were:

- Consumers: The use of microprocessors in home appliances in West Europe is expected to increase from about 1.3m in 1977 to 128m by 1987. Applications vary from home computers to "intelligent" television sets, TV games and a range of appliances.
- Business communications: Shipment value of text processing devices in all the countries studied is expected to increase from about $1.5bn in 1977 to a possible upper limit of $3bn by 1987.

Sales of facsimile and copying machines are expected to increase from $2.3bn to between $4.2bn and $9.2bn and of business communications products from $9.3bn in 1977 to between $13bn and $23bn in 1987.

- Industrial: A rapid growth in electronic test equipment is expected, with greater emphasis on the reliability of instrumentation. The U.S. market for numerical control systems, robots and automatic material-handling systems is expected to reach $16.8bn in 1987.
- Automotive: By 1982, nearly all new cars are expected to have intelligent electronic engine controls.

Even smaller, more efficient European cars will need electronic controls to meet U.S. regulatory requirements, the report says. By 1987, the U.S. annual market for microprocessors in the automotive sector is expected to exceed $5bn a year.

Threat to office jobs, Page 10

FT SURVEY OF 100 MAJOR EUROPEAN COMPANY REPORTS AND ACCOUNTS

Philips provides best annual report

THE annual report and accounts of Philips, the Dutch electronics multinational, is judged to be the most useful and informative document of its kind issued by a major European company last year, according to a survey published today.

The survey, published by the Financial Times, cover the annual reports and accounts of 100 of the biggest industrial companies in 12 Western European countries. Its objective is to measure and comment on the quality of the accounts and other disclosures of the companies at the top of European industry.

One of the most striking findings is evidence that leading Continental European companies are providing much more detailed information and going to far more trouble over their annual reports than their UK counterparts. On the other hand, the quality of the accounting information provided by British companies is generally better than the other companies.

Employment

"Extra-statutory accounting and disclosure is most evident in areas such as employment, profit forecasts and share price data. In the area of employment, the French are the outstanding leaders in Europe, but impressive efforts are also found among German and Swedish compaines." This is in striking contrast with the UK, where companies have little to say in annual reports about employment beyond statutory disclosures. The survey reproduces numerous examples, including a 10-page section from the report of Moet-Hennessy, which is judged one of the best employment reports in the survey.

TOP TEN REPORTS

1 Philips (Netherlands)
2 Svenska Cellulosa (Sweden)
3 Akzo (Netherlands)
4 Unilever (Anglo-Dutch)
5 Royal Dutch-Shell (Anglo-Dutch)
6 ICI (UK)
7 Moet-Hennessy (France)
8 British Petroleum (UK)
9 BAT Industries (UK)
10 Saint-Gobain-Pont-A-Mousson (France)

Also commended: Siemens (Germany) and Marks and Spencer.

In spite of the absence of laws in several European countries requiring companies to publish consolidated accounts, the evidence of the survey is that the practice is now widespread throughout Europe. Altogether, 83 per cent of the companies make some effort at producing consolidated accounts—and this includes 63 per cent of the companies from countries where consolidation is not a legal requirement.

In the field of profit forecasting and future projections, the Swedish companies are "the outstanding leaders." Overall, in spite of the absence of statutory requirements, nearly two-thirds of the companies comment in some fashion about the future.

The survey ranks the 10 "best" reports and accounts according to criteria such as: worldwide consolidation: disclosure of accounting policies; the provision of segmental data, employments reports, statements of future prospects, and inflation accounting information.

At the other end of the scale, the survey lists 25 company reports which are described as the "least satisfactory" of those reviewed. The list includes AEG - Telefunken, Daimler - Benz, GHH and Thyssen from West Germany, Michelin and CGE from France, Hoffmann-La Roche and Brown Boveri from Switzerland, Fiat, Olivetti, and Pirelli from Italy, and Union Miniere from Belgium.

The poor performance by some of the leading German companies pushes Germany into fifth place—behind the UK, Holland, Sweden and France—in the survey's ranking of the most sophisticated accounting countries. At the bottom of the table comes Italy and Spain.

For the accounting part of the project the survey is based on the standards and proposals of the International Accounting Standards Committee. The accounting bodies of most of the countries covered are IASC members, but most are not doing enough to encourage the adoption of international standards of accounting. Accordingly, the survey proposes that IASC "should seek new and more effective ways" of ensuring compliance with international accounting standards. "A start could be made by requiring each IASC member body to report annually the extent to which the major companies of its country have met IASC standards in their accounts. These reports should be given widespread publicity by IASC."

The survey uncovers an array of disparities in the way in which large European companies put together their accounts. While the majority of companies define subsidiaries as shareholdings of more than 50 per cent, 12 companies use the definition "50 per cent and more," while one—Norsk Hydro—uses a 66 per cent rule.

Uniformity

Other important areas where there is no uniformity in the accounting rules, include—even among companies from individual countries—goodwill, currency translation, depreciation, stock valuation, taxation, research and development, pensions, and long-term contracts.

On the other hand, no fewer than 28 per cent of the survey companies are doing something about inflation accounting.

Another finding is that taxation has a major influence on the accounting policies of many companies—particularly those from Germany. Apart from the fact that a number of German companies did not provide worldwide consolidated accounts, this is one of the main factors behind the poor ranking of the German companies in the survey generally.

The practice of breaking down data about a group's main activities—segmental reporting—is found to be widespread. However, disclosure of operating results is made only by a minority.

The report calls for international auditing standards to guide auditors in Europe "as they venture beyond national statutory requirements to give opinions on consolidated accounts."

* *"1979 Financial Times Survey of 100 Major European Companies' Reports and Accounts." By Michael Lafferty, with David Cairns James Carty. Price £75. Financial Times Business Publishing, Minster House, Arthur Street, London EC4.*

Self-employed tax disclosures increase

BY DAVID FREUD

SELF-EMPLOYED taxpayers are declaring substantially more of their incomes after in-depth investigations introduced by the Inland Revenue two years ago, according to senior tax officials.

The Revenue now subject about 3 per cent of the 1.9m annual returns made by the self-employed under Schedule D to a rigorous examination, selecting accounts that look most likely to disguise tax evasion.

Previously, unselective and more limited inquiries were made, covering about 30 per cent of all accounts received from the self-employed.

Yesterday, Revenue officials said people were beginning to respond to the possibility of investigation. The level of profit declared had risen substantially in many sectors.

In the taxi sector, for instance, "we are now getting something like reasonable figures," said one official. "They realise the Inland Revenue is no longer to be put off by unrealistic profit returns."

At the same time, investigations have resulted in sharply higher revenue yields from tax frauds uncovered. The latest Inland Revenue Report showed that the new approach yielded 63 per cent, or £14.5m, more in its first year of operation, up to October, 1977, than investigations in the previous year. Officials predict the figures for the subsequent year will show an even sharper rise.

In spite of the success of the new approach, the Revenue is concerned at the level of criticism of the system among accountants. They point out that the system does not imply that accountants are not doing their job properly.

"The Revenue relies upon the expertise and independence of accountants. In preparing balanced accounts from incomplete records and in preparing tax computations they correct many gross errors. But this process does not, and cannot, take care of every error, omission or case of deliberate concealment," officials said.

The Revenue uses a range of criteria to select accounts for in-depth investigation. It looks at gross profit rates to see if they are in line with the norm, and at the level of drawings taken out of a business for the owner's personal use to see if they correspond to life-style.

Various ratios are checked as well — investment compared with profit, for instance, or, in the case of taxis, fuel consumption and turnover.

Dip in spending growth predicted this year

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

CONSUMER SPENDING growth in the UK is expected to slacken significantly this year before recovering slightly in 1980, according to the latest analysis from Economic Models, the London-based international forecasting group.

The group projects a decline in the rate of increase (fourth quarter on fourth quarter) from 5.4 per cent in 1978 to 3.4 per cent this year, with a slight pick-up to 3.8 per cent in 1980.

This is expected to lead to a small recovery in the expansion of total output, though unemployment is forecast to continue to rise—up to 6.4 per cent of the workforce by the end of 1980, compared with 5.6 per cent in the fourth quarter of last year.

Economic Models has also tried to stimulate the possible impact of a Budget from a Conservative Government at the end of this year. It assumes a switch of £1bn from direct to indirect taxes. While the forecast horizon is too short to take account of potential offsetting gains in productivity and incentives, the simulation produces even slower growth than is assumed in the main forecasts.

This is because, although real disposable income remains unaffected, the switch exacerbates inflationary expectations, domestic costs and import penetration. Hence the group estimates that simply to maintain a 3 per cent rate of economic growth in 1980 a switch of this magnitude must be accompanied by a stimulus of roughly £200m.

The group finds no reason to expect higher growth this year than in 1978 for the world's main industrial economies as a whole.

Although the growth rate in North America and other industrialised economies will continue to converge, it says, it will be on to a slower growth path, with a generally dismal outlook for unemployment over the next 18 months.

Moreover, the expected increases in oil and commodity prices in 1979 and 1980 will mean that this slowdown will not be associated with any fall in the mean rate of inflation.

Disparities between countries in their dependence on energy and raw material imports will be reflected in widening inflation differentials and greater trade imbalances, which will greatly handicap the stabilisation of exchange rates, as proposed by the European Monetary System.

The group has run trial simulations with its energy model to assess the impact of a 2m barrel a day shortfall of world oil supplies. On the assumption that Iran will export no oil during 1979 and that exports will recover in 1980 to the level of 2m barrels a day the market clearing price is as much as 20 per cent higher than the existing schedule of increases for 1979.

Economic Models sees it as unlikely that such an explosive position will be allowed to occur. Accordingly the group forecasts that the price of oil will rise by an average of only 15 per cent this year, in quarterly increments, which will be carried over into 1980.

More British cars for motor schools

Financial Times Reporter

THE PERCENTAGE of British cars being used by driving schools has risen from 73 per cent to 75 per cent since 1976, according to The Motor Schools Association of Great Britain.

Ford and BL account for more than 60 per cent of the British sales to motoring schools. Between 1976 and 1978, according to the association, Ford's market share rose from 21 per cent to 36.85 per cent. BL took just under one-quarter of the driving school market in 1978 against 32 per cent in 1976.

Japanese cars made up the largest percentage of foreign cars in the market but their share fell from 24 per cent to 18.75 per cent during the two-year period.

Tendering system for stock 'criminal'

BY DAVID FREUD

A TENDER system for selling Government stock would be "criminal" in the present fragile state of the UK economy, Mr. Gordon Pepper, of City stockbrokers W. Greenwell and Co. said last night.

He argued that such a system would undermine the Stock Exchange. His remarks come after the Bank of England's announcement last week that it was issuing stock through a partial tender offer.

Speaking on LBC radio, Mr. Pepper said: "There is no question that the general introduction of the tender method would lead quickly to a breakdown of the jobber-broker division of the Stock Exchange.

"We would have to change to the American system whereby brokers are principal dealers and the whole Stock Exchange would change.

"I would argue very strongly indeed that it would be criminal folly to undermine the present structure of the gilt-edged market at this point in time."

Mr. Pepper said that such a change might reduce the enormous capacity of the market in the next two or three years when, because of North Sea oil, there was a chance of breaking out of the UK's vicious economic circle into a virtuous one.

Electricity board aims at sharp rise in use of coal

BY JOHN LLOYD

THE CENTRAL Electricity Generating Board has told Mr. Anthony Wedgwood Benn, the Energy Secretary, that it will attempt to increase sharply its coal burn in the coming year to 80m tonnes.

At the same time it will cut back hard on its oil burn in the six-month period from April to September, trimming between 1.5m and 2m tonnes off an estimated burn of 4.25m tonnes.

In a letter to Mr. Benn, Mr. Glyn England, chairman of the board, has said that it was "just conceivable" that the board could reach the target in 1979/1980, assuming that there were no difficulties in coal supply, that oil supplies remained tight and that coal prices did not rise substantially.

The letter follows discussions between Mr. Benn and Mr. England on how best to burn less oil, in line with Mr. Benn's statement to the International Energy Agency earlier this month that the UK would cut 2.5m tonnes off its oil burn in the coming year. Mr. Benn said that coal burn should rise by about 5m tonnes.

Mr. England's letter represents a highly qualified intention, rather than a commitment, to burn more coal. The board says that by cutting back on oil use following the Iranian crisis, it is merely acting prudently, rather than at the behest of Mr. Benn or with the intention of aiding the coal industry.

It has not asked the Government for subsidies on the coal it will take, though it is not yet clear if the £17m subsidy on coal burn will be renewed.

It aims to retain the maximum flexibility in its balance of fuels, and is keeping a closer watch on oil supplies and the coal price. The board believes that the coal price may be raised again this year, further to the nine per cent rise announced last month.

The board had previously estimated that its oil burn in the six-month summer period April-September would be 4.25m tonnes, up from 3.5m tonnes in the same period last year. The cut of 1.5-2m tonnes now envisaged will be from that estimate, leaving a burn of between 2.25m-2.5m tonnes.

Mr. England is believed to have stressed in his letter, and in discussions with Mr. Benn, that the extra coal burn would call for immense efforts from the CEGB, the National Coal Board and the main coal carrier, British Railways.

The NCB has said that it will supply 75m tonnes to the CEGB in the coming year, a rise of 6m tonnes from last year's supply. The rest of the board's requirements will be met by licensed (non-NCB) mines (1m-1.5m tonnes), 1.25m tonnes from continental stocks, 1m tonnes of Australian coal under a long-term contract and 1.25m tonnes drawn from CEGB stocks.

If the NCB cannot deliver, and if oil is unavailable on the open market, the CEGB may have to go on to the open coal market to top up any shortfall.

Concrete companies may face charges

BY PAUL TAYLOR

MR. GORDON BORRIE, Director General of Fair Trading, is to consider prosecuting 10 companies over the operation of a cement pipe supply price ring.

The agreement, which operated between about 1974 and the beginning of 1978 in England, Wales and Scotland, was yesterday put on the Register of Restrictive Trade Agreements.

The Office of Fair Trading said the agreement, discovered during an investigation of price rings in the ready mixed and road surface industry, covered "restraints relating to the price of concrete pipes and the allocation of contracts."

Details of the agreement had not been given to the office in time and it was therefore, unlawful. Mr. Borrie is now considering taking court proceedings against the companies involved.

The 10 companies are: ARC (Concrete), British Steel Corporation, Croxton Gravel, ECC Quarries, Hume Pipe, Johnston Pipes, Mixconcrete Pipes, Redland Pipes, Rocla Pipes and Spun Concrete.

In addition the office yesterday placed a further three agreements in the ready mixed concrete sector on the Register bringing the total involving ready mixed concrete companies on the Register to 202.

Pye TMC plans to close factory

BY MAX WILKINSON

PYE TMC, a subsidiary of Dutch Philips, yesterday announced plans to close its Scottish factory which employs 500 people making telecommunications transmission equipment.

The closure of the factory, at Livingston, West Lothian, represents the almost complete withdrawal of Pye TMC from the manufacture of capital equipment for the public telephone system. The company plans to continue making private exchanges and telephone hand sets.

The Livingston factory, opened 10 years ago, has been losing £3m a year. It has been hit by world over-capacity in the manufacture of transmission equipment and competition from larger rivals.

The application of modern electronics to transmission equipment has also reduced the need for labour in its manufacture.

A statement from Pye says the factory will be closed in October.

The company failed to win a contract to develop a new type of digital transmission equipment for the Post Office (the contract went to the General Electric Company, and Standard Telephone and Cables). Pye says that after losing the development contract it had to face the fact that its share of the UK business would be substantially reduced. The company has also been unsuccessful in its attempts to win export business for this type of equipment.

A further 100 jobs will be lost in the commercial, development and installation departments associated with transmission equipment.

Pye operates one other factory making telephone transmission equipment at St. Mary Cray, Kent, where 180 people are employed. This factory has orders to keep it going until mid-1980. Unless further orders can be won it, too, is likely to be under threat.

Pye TMC currently employs 1,750 people in the UK. Recently Philips announced that it was considering a re-organisation which might involve the absorption of parts of Pye into the Philips structure. There was speculation at the time that this could mean a rationalisation involving Pye TMC.

Mr. Roy Sanderson, national officer of the Electrical, Electronic Telecommunication and Plumbing Trades Union (EETPU), condemned the closure as anti-social and unnecessary. He said the union would resist the closure strongly and intended to meet the company to try to obtain a suspension of the decision. He wants to make a close examination of the reasons given by Philips and an assessment of the possibility of introducing alternative products into the factory.

A spokesman for Livingston Development Corporation said that although the announcement was a blow, it was balanced to some extent by the success of the corporation in attracting new industries to the area.

Demand for factory space had been so great that 18 new industrial units, providing 150,000 square feet of factory space, were to be provided. The factories were expected to employ 300 people with expected growth to 800.

'Chemical blast chances rising'

By Sue Cameron, Chemicals Correspondent

THE CHANCES of a disastrous, Flixborough-style explosion occurring at a chemical plant are increasing all the time, according to a book published yesterday by the Institution of Chemical Engineers.

It says blasts like that at Flixborough can now be expected at the rate of between two and eight a year throughout the world and warns that conditions capable of causing a fire blast are rising at an even higher rate—between three and 11 times a year.

"The statistics reveal that few major chemical, petrochemical, process or petroleum plants have escaped the possibility or the actuality of an unconfined vapour cloud explosion," the book says. "The various possible means of transportation also give rise to the risk."

Dr. Keith Gugan, a consultant on industrial hazards, who was commissioned to write the book, says there is little hope of chemical companies preventing unconfined vapour cloud explosions altogether. He claims that "at present they cannot be prevented." If there is a major escape of inflammable vapour from a plant, "the probability is that ignition will occur rather more frequently than 14 times in every 15."

Dr. Gugan says the chances of the resulting fireball exploding are more than 50 per cent. If the fireball does explode it is likely to do so in a matter of seconds.

"The only certain method of protection is ot prevent unconfined vapour clouds happening by preventing vapour escapes," Dr. Gugan says.

Worsening

"While the world depends on men mistakes will occur, most of which will be trivial in all respects. A few, however, will be serious and among these will be unconfined vapour cloud explosions. Prevention, within the present framework of a large-scale, low profit margin philosophy, can be no better than in the past; indeed, the trend is to worse and more frequent incidents."

But Dr. Gugan said yesterday there were two possible ways of lessening the risk of explosion.

One was to spray water into an escaped cloud of inflammable vapour to try to disperse it and also to reduce the chances of ignition. The cost of installing the necessary machinery would be "astronomical" and he added that although the method might prevent a blast it "probably" would not stop the vapour cloud igniting.

The other possibility was to inject a gas, such as helium, into the escaped vapour cloud. This might stop the cloud exploding, although, again, it would probably not stop it burning. Dr. Gugan said this system could cost about 5 per cent of the capital cost of building the plant—as high as £10m.

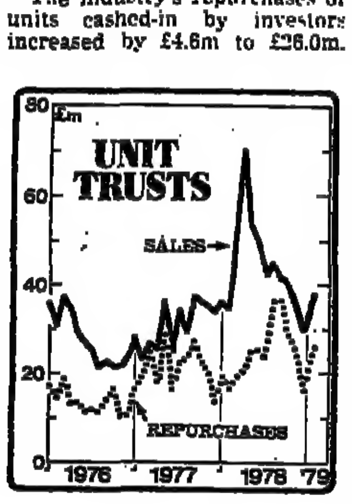
Unconfined Vapour Cloud Explosions; Dr. Keith Gugan; Institution of Chemical Engineers in conjunction with George Godwin; Builder House, Red Lion Court, Fleet Street, London EC4P 4HL; £16.

Unit trusts boosted by share price strength

By Eamonn Fingleton

THE IMPROVING outlook for stock market investment helped boost unit trust sales last month by £7m to £38.7m, the Unit Trust Association announced yesterday.

The industry's repurchases of units cashed-in by investors increased by £4.6m to £26.0m.



Both sales and repurchases were at their highest levels since last autumn. Net new investment totalled £12.5m.

The improvement in sales has continued this month. Mr. Edgar Palamountain, chairman of the Unit Trust Association, said: "The continuing strength of share prices is still helping sales.

"We expect that sales for March could be about £47m. Repurchases will also be higher—probably about £30m."

Oil pollution seminar warned of too few ship inspectors

BY LYNTON McLAIN

THE GOVERNMENT was told yesterday by one of its advisers that it did not have enough ship inspectors to ensure the highest standards of oil tanker operation.

Captain Ralph Maybourn, a director of the BP Tanker Company and a special advisor to the Government's Marine Pollution Control Unit, said standards might fall as a result.

He told a Trade Department seminar in London on emergency arrangements for combating spillages that "we must expect to be threatened by oil pollution from time to time."

Human fallibility could not be eliminated; the accident rate would never be zero, and big accidents would occur.

Financial difficulties facing tanker owners because of a world recession in the industry would reduce the standard of operations, he said. Many owners were going bankrupt.

Some tankers were poorly equipped and maintained and there was a worldwide shortage of trained seamen. Such factors had contributed to pollution, he said. Nevertheless, marine oil pollution from ships had fallen from 2.133m tons in 1973 to 1.261m last year. Pollution from non-shipping activities had also fallen, from 3.98m tons to 3.69m.

The Shetland Islanders were uneasy about the dangers of oil but that was an exception, Captain Maybourn said.

A Scottish fishermen's representative complained about nets covered with oil from tankers.

Professor Geoffrey Matthews, deputy director and director of research of the Wildfowl Trust, said that although tanks at the Sullom Voe terminal in the Shetlands designed to store oily ballast water from tankers had been built three years ago, they were still not complete. Many tanker operators were illegally discharging washings from ballast tanks inside the recognised limits.

The hundreds of tons of heavy fuel oil that had escaped from the Esso Bernicia at Sullom Voe on December 31 last year had killed 3,700 birds. These included the total population of winter birds at Sullom Voe and a twelfth of the British population of black guillemots, Professor Matthews, said. He called for an urgent review of ballast cleaning at Sullom Voe.

Mr. P. Bourne, of the seabird unit at Aberdeen University, said that booms should be placed across sheltered estuaries from which tides and wind could not move the oil.

The £2m cost of clearing beaches and pollution after the Eleni V accident off the East Anglian Coast last year could have been better spent on such preventive measures.

Mr. John Smith, the Trade Secretary, who opened the seminar, told delegates that the Government planned to spend £1.5m in 1979-80 on top of recurrent costs of £500,000 for anti-pollution measures.

Ship's engine builder to make 175 redundant

BY LYNTON McLAIN

GEORGE CLARK and NEM, the Tyneside marine engine builder which is hoping to win a £20m order from Seatrain Lines of the U.S., said yesterday that it was to make 175 workers redundant.

The company yesterday blamed the world recession in shipbuilding. But Mr. E. P. Crowdy, the managing director, said he would revoke the redundancy notices if the company won the Seatrain order.

He said: "The order is certainly not lost and we are still hopeful."

The company employs 1,300 workers and most have work up to the third quarter of this year.

Some Scotch whisky prices to rise on April 1

BY DAVID CHURCHILL, CONSUMER AFFAIRS CORRESPONDENT

SOME SCOTCH whisky prices are set to rise at the beginning of next month no matter what duty increase the Chancellor may decide to put on drink in the Budget.

The Distillers Company announced yesterday that it was increasing the wholesale price of most of its main UK brands from April 1. The increases cover some 50 brands, including Haig, White Horse, Crawfords Three Star, and John Barr.

The increase is for £1.20 per case of a dozen bottles, although a 30p-per-case allowance to to wholesalers means that the effective trade increase is 90p per case.

This is likely to mean at least a 7.5p per bottle increase in the shops and, with the addition of retailers' profit margins, the new retail price could be as much as 11p or 12p more.

The Price Commission had been notified of the wholesale price increase on February 15 and in spite of the fact that prices for these blends had been increased last August, gave the go-ahead last week.

Meanwhile, the Scotch whisky industry remains concerned that the Chancellor may decide to increase the duty on Scotch for the first time in more than two years.

Bristol schools given £½m.

By Colleen Toomey

A MINER'S son who built his fortune from war service savings of 14s (70p) a week is giving £500,000 to five independent schools in Bristol.

Mr. John James, the 73-year-old chairman of the Bristol-based John James Group with sales last year of £22.5m, won a scholarship 61 years ago to a Bristol school. "I hope this money will give boys and girls of a similar background to my own the same start I had," he said.

The schools, which will each receive £100,000 in annual instalments of £10,000 over the next 10 years, are Clifton College, Clifton High School, Queen Elizabeth's Hospital, Redland High School and the Red Maids School.

Mr. James, who has a personal tax rate of 98 per cent, gave £100,000 to two Bristol schools last November and a similar amount a few years ago, all to provide education for children whose parents found it "tough going."

● Mr. Michael Birkett, 47, yesterday failed in his claim that 12 years ago Mr. James, who was then his boss, promised him £1m.

Mr. Justice May said in the High Court that Mr. Birkett's action against Mr. James was the result of an obsession. Mr. Birkett found it difficult to "distinguish between reality and wishful thinking."

Mr. Birkett, a former managing director of John James' industrial division, claimed he was promised the money if company profits could be boosted.

But the judge said that although Mr. James was "a very rich man, mindful of pennies and capable of acts of unsolicited generosity," there was nothing that led him to conclude that Mr. James undertook to reward Mr. Birkett in this way.

Engineers want debate on sewerage system

BY PAUL TAYLOR

THE FEDERATION of Civil Engineering Contractors is calling for a full Commons debate on the state of the nation's sewerage system. A letter sent to MPs in the North East of England warns of the health threat posed by the Government's failure to modernise the system.

Following reports about the "collapsing state" of Manchester's sewers, the federation has drawn attention to the 1979 Northumbrian Water Authority report.

The report warns that the "inadequacy of sewer records" and the lack of detailed inspections could have "serious consequences" and that water mains and sewers are only maintained on a breakdown and repair basis.

Mr. Michael Noar, the federation's external affairs director, warns that the North East could face a health threat unless urgent action is taken.

Yesterday, Mr. Noar said the federation wants a Commons debate on the state of sewers nationally and following a survey into their condition, there should be an ordered programme of repair.

Move to revise subsidy for overseas students

BY MICHAEL DIXON, EDUCATION CORRESPONDENT

"WELL OVER £100m a year" of taxpayer's money was being used to subsidise overseas students in British higher education, Mr. Gordon Oakes, Minister for Education, said in Manchester yesterday.

Although foreign students paid a higher tuition fee than British students, ti still covered only about 30 per cent, on average, of the cost of the course, he said. The fee also took no account of whether the student came from wealthy or poor circumstances.

Mr. Oakes said that the Government was now conducting a thorough review to determine how to apply the subsidy to overseas students from poor national and family backgrounds.

"We have got to find ways of directing that £100m subsidy to help selected, deserving groups

British Caledonian record profit

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

BRITISH CALEDONIAN, the independent airline, earned a record pre-tax profit of more than £12m in the financial year ended October 31, 1978. This was £4m more than in the previous financial year.

The airline say that total revenue of the British Caledonian group, including travel and other companies, was £177m of which more than £156m was earned by the airline.

British Caledonian earned 63 per cent of its revenue from scheduled service operations.

The total number of passengers carried was over 2m, while cargo carried was 50,000 metric tonnes.

Fleetwood's future in the balance

BY RICHARD MOONEY

TALKS WHICH could decide the future of the Lancashire fish port of Fleetwood will be held at the Ministry of Agriculture and Fisheries in London today.

Trawler owners, dock unions, fish merchants' the port employers' association are to meet Mr. John Silkin, the Agriculture and Fisheries Minister, and Ministry officials in an effort to solve the problems which will be faced when the port's Fishing Vessel Owners' Association goes into liquidation at the end of this month.

The association operates unloading and other ancillary services at the port.

The merchants and ancillary companies which rely on the fish landed at Fleetwood have agreed to form a new company, Fish Handling Fleetwood (FHF), to take over from the association. But the company's foundation has been delayed by labour problems.

If the new company is to be operated on a realistic basis, manning levels will have to be substantially reduced from the 118 "lumpers"—dockers who unload fish—presently employed by the association.

But the Transport and General Workers' Union, which represents the lumpers, is refusing to talk about manning levels until agreement is reached on severance pay for the men who are displaced.

Dockers who lose their jobs will be entitled to redundancy money averaging £6,000 a man and the total bill could reach £250,000. The Vessel Owners' Association claims it is insolvent and cannot afford this payment. Today's meeting will try to decide who is responsible for paying off the surplus lumpers.

One possible candidate is the National Association of Port Employers, which has so far resisted undertaking the responsibility. The Employment Department, which will also be represented at today's talks, is another.

The vessel owners intended to put their association into liquidation in December in spite of the offer of a £180,000 Government grant to offset dock charges incurred in 1978.

They were subsequently persuaded to keep the dockside facilities going under threat that the grant offer would otherwise be withdrawn.

But there seems little possibility of the owners agreeing to a further stay of execution and even less of the grant money being made available to help pay off the unwanted lumpers.

Mr. Edwin Walker, chairman of Fleetwood's Fisheries Development Committee said today's talks were crucial. "If we don't have an agreement on manning levels by April 2, we may have to throw in the towel."

Fleetwood has been among the hardest hit of British ports following the closing of Icelandic waters. At the start of 1978 it had 39 trawlers working but by the end of the year this number had fallen to 19.

● NEWS ANALYSIS—PLIGHT OF THE UK LEATHER INDUSTRY

Export ban could hit import trade

BY CHRISTOPHER PARKES

A BAN on exports of hides to be demanded by leather industry trades unionists lobbying MPs in London today could present more problems than it would solve.

The lobbyists claim that the leather industry could soon lose 16,000 jobs and up to 110,000 workers could be put on short-time, unless something is done to stop the outflow.

Some 80 per cent of all British hides are going abroad, compared with 25 per cent five years ago.

Fierce competition among bidders at auction, notably those from the USSR, Japan, Taiwan, South Korea and Singapore, has pushed prices up 40 per cent since the start of the year.

However, many of the skins being exported are types not used much in Britain nowadays. And while exports have been rising, imports have also increased to make up the deficit. The British Leather Federation fears that unilateral action by this country to ban exports could compromise this essential import trade.

This is why it has so far avoided pleading for dramatic action, preferring to press its appeals for help via the Department of Trade and Industry to the Common Market Commission in Brussels.

The unions are, however, playing an important part in the campaign to help the industry out of its present difficulties.

"The more people and politicians understand our problems, the better it is for all of us," Mr. Guy Reaks, director of the federation, said.

The leather trade is awaiting with some trepidation the outcome of today's auction in Birmingham. Officials will be scouring the price lists to see if the apparent lull in the boom, which first manifested itself last week, is continuing.

"If prices go down again, and if a lot of hides are withdrawn, it could be that the worst is over for the time being," Mr. Reaks said.

Pressure on prices has been felt worldwide. The USSR, Taiwan, Japan and other Far Eastern buyers have been largely responsible for the unprecedented increase. But now, there is a more specific crisis threatening.

The British trade is worried about how the U.S. will react to the squeeze on its markets. The powerful industrial lobby is pressing for action to stem the outflow of hides from North America. During December, 90 per cent of U.S. output was exported, and the skin trade and leather manufacturers began to ask for action.

Quotas on purchases by overseas buyers have been applied in the past, notably in 1966 and 1972.

It is believed that the Japanese, who buy about 9m U.S. hides a year, are preparing to try to avert any repetition of the quotas by voluntarily cutting down their purchases in the U.S. by 10 per cent.

British industrialists fear that, since Japan is unlikely at the same time to cut domestic output by 10 per cent, Japanese buyers could be appearing in European markets in even greater numbers, seeking up to an extra 1m hides a year.

This would undoubtedly start yet another prices boom in Britain and elsewhere.

For the moment, then Mr. Reaks organisation has asked the DTI to be ready to take action should the supply of hides from the U.S. market be reduced, either by means of quotas, or by "voluntary" self-limitation by buyers.

Attempts are also being made in Brussels to sharpen the surveillance of hide exports from all EEC suppliers, and there is growing pressure there for action to protect Common Market leather goods makers from cheap imports.

Far Eastern manufacturers, with miniscule labour costs compared with Western wages bills, can afford to pay high prices for raw materials, and still undercut domestic makers in the developed world.

"We are not interested in subsidies or aids like that," Mr. Reaks said. "But we do need free access to world markets for finished goods."

British manufacturers, at least, are confident that they could compete effectively if allowed access to the Soviet bloc, Japan and other developing markets.

"We are faced with a situation where very few other countries appear to be operating a free market," Mr. Reaks said.

"We are in the battle without any defence. We fight according to the Queensbury Rules, while most of the others don't fight by any rules at all."

هكذا من الأصل

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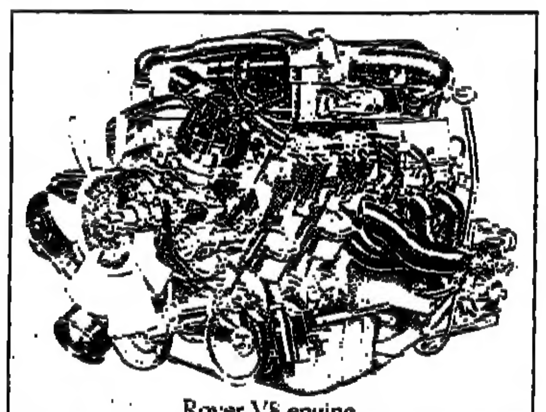

Rover V8 engine

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Results of laboratory tests comparing facial cuts received in a crash from (left) an ordinary windscreen, (right) Triplex Ten Twenty windscreen.

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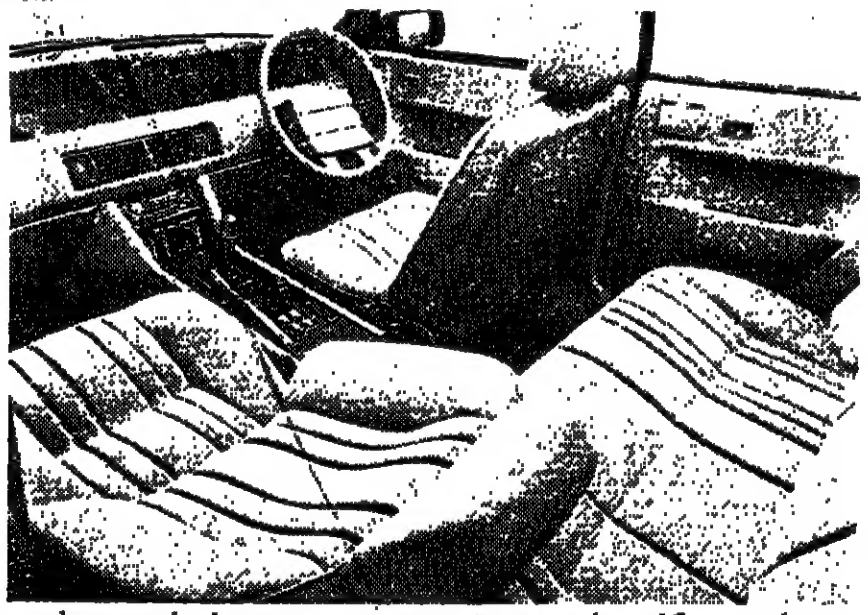

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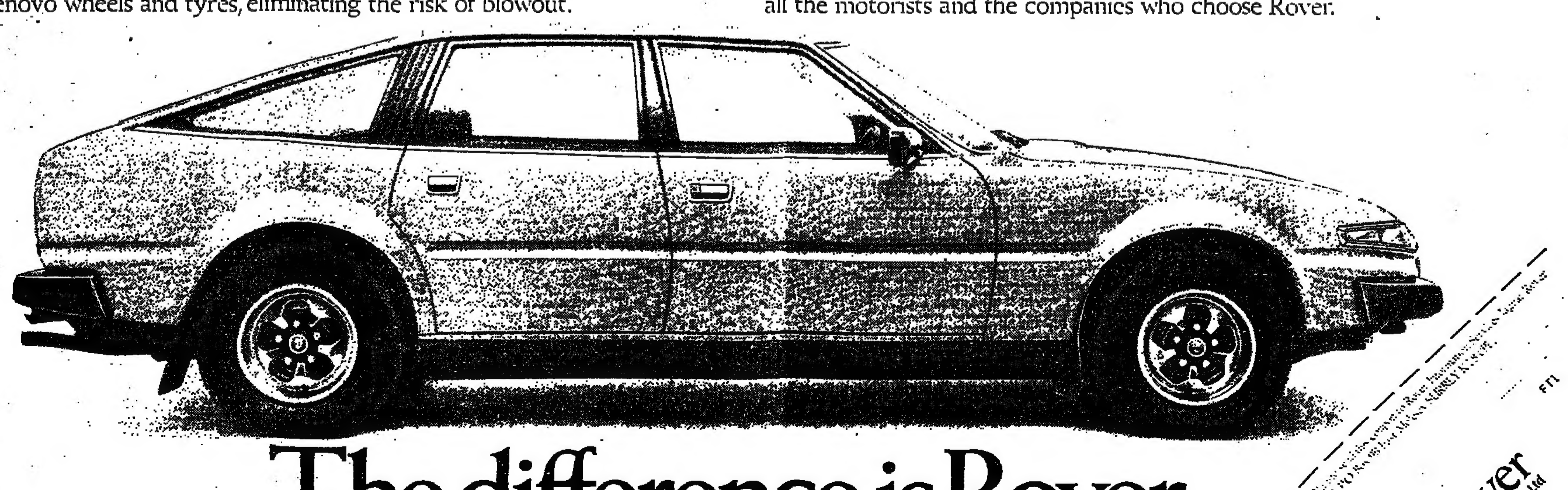
And because of its durability, a Rover maintains a very favourable resale value.

Which makes quite a difference for the ratepayer. To say nothing of all the motorists and the companies who choose Rover.



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*Official Government Fuel Consumption Figures, Rover 3500 manual: urban motoring, 16.2 mpg (17.4 litres/100 km); constant 56 mph, 36.3 mpg (7.8 litres/100 km); constant 75 mph, 27.9 mpg (10.1 litres/100 km).
You can start enjoying Rover performance with the 2300 at £5,995.08, 2600: £6,795.36, 3500: £7,995.78.
Prices are for standard manual version, correct at time of going to press and include car tax, VAT, inertia reel front seat belts and Supercover. Delivery and number plates extra.

Public spending linked to pay

BY JOHN HUNT, PARLIAMENTARY CORRESPONDENT

THE ANNUAL increase of 2 per cent in public expenditure planned for the next three years may have to be cut if current wage increases go too high, Mr. Joel Barnett, Chief Secretary to the Treasury, warned last night.

Repeating the Government's determination to enforce cash limits, he told the Commons: "It would be foolish to imagine that one could just carry on as if pay settlements had never happened.

"They will affect prices and therefore affect the amount of cash available for public expenditure."

The volume of central Government expenditure and local authority capital expenditure would have to be squeezed by 125m at 1978 prices for every 1 per cent that price exceeded the provision in the cash limits.

Mr. Barnett was speaking in the debate on the public expenditure White Paper, which envisages the 2 per cent annual rise for the years from 1979-80 to 1980-83.

The Conservatives had put down an amendment claiming that these forecasts had already been overtaken by events.

They maintained that the figures in the White Paper left inadequate scope for cuts in personal taxation and interest rates which were essential to the creation of a prosperous economy.

But the Chief Secretary said that the Tories claim that they will be able to cut public expenditure and reduce taxation showed they were deluding themselves and presenting a "false prospectus" to the country.

Many assumptions underlay the projections in the White Paper and if they proved to be wrong then action would have to be taken to ensure that public expenditure was kept within sustainable limits.

Mr. Barnett admitted that wage increases in the current round were likely to be in excess of what the Government had hoped for.

Nevertheless, the Government was not prepared simply to increase the amount of cash available to meet pay and price increases.

"I made it quite clear, the public purse is not bottomless. If the prices of goods and services rise faster than we can afford, then clearly we would be able to afford fewer of them."

If the assumptions in the White Paper on the balance between pay and prices turned out to be incorrect, then that balancte would have to be changed.

It was "naive and unrealistic" to think that the Government could adjust cash limits to take account of higher pay and to make more cash available. If it did that it would only be taken as a new guideiine set up to be broken.

Wage settlements would be dealt with case by case but the Government was making it clear in advance that a substantial proportion of public pay increases would have to be absorbed.

In the case of the settlement for the local authority manual workers, the Government would finance 61 per cent of the increase and no more.

Local authorities would have to finance 39 per cent—so there could be some squeeze in that sector.

"The impact of cash limits will clearly depend, in large part, on the level of pay settlements and the direct and indirect effect they will have on prices."

Mr. Enoch Powell (UU, South Down) asked him to make clear exactly what he was saying.

Did he mean that, insofar as wage and prices increases were higher in the next 12 months than assumed for the purposes of the White Paper, public expenditure would be less than projected in the White Paper?

Mr. Barnett replied: "I hoped I had made that reasonably clear.

"Inevitably, if there is a higher growth of pay and prices, there will be consequences for the volume of public expenditure."

Attacking Tory proposals, Mr. Barnett emphasised that he wanted to see cuts in personal taxation. But you could not pretend there could be substantial reductions in personal income-tax and the borrowing requirement, regardless of industrial performance.

This was to perpetrate a "great hoax" on the British public, which would only backfire when people realised what was happening.

Hugh Routledge

MR. JOEL BARNETT: "The public purse is not bottomless."

Mr. Barnett challenged the Opposition to show exactly where the cuts in public expenditure could be made.

Would they cut general assistance to industry?

The White Paper set aside £500m. for this purpose and a large part of it was already committed, the biggest recipients being BL (formerly British Leyland) and Rolls-Royce.

It would also be theoretically possible to make savings of about £70m over the next two years by curtailing new investment by the National Enterprise Board. Yet much of this money was earmarked to help small businesses.

Other areas where the Tories might wish to make cuts would be in selective assistanee to Industry, special employment programmes and council house subsidies, he suggested.

He also listed the items which werethe subject of a Treasury leak. This had led to the Government being criticised for wasting money on job creation programmes.

He pointed out, however, that two of these had been wound up and that the others included the British Aerospace 146, the Rolls-Royce RB 211/535 project, the Airbust and various missile programmes.

Were the Tories really suggesting that these should be cancelled?

Mr. Barnett hit back at the Commons expenditure committee, which had criticised the failure of the Treasury to spell out fully the assumptions on wage increases on which the White Paper's projections had been based.

Mr. Barnett promised to do what he could in future to provide such details but he said the committee's appetite for information seemed to be "insatiable" and in this instance he thought its request had been unreasonable.

Colliery explosion inquiry ordered

AN INQUIRY is to be set up into the cause and circumstances of the explosion of Golborne Colliery, near Wigan, Lancashire, which killed three men, Mr. Anthony Wedgwood Benn, Energy Secretary, told the Commons yesterday.

Mr. Benn expressed "sincere sympathy" to the eight injured and to the relatives of those killed in the underground explosion on Sunday.

He also praised the rescue team and hospital staff who had "responded magnificently."

The eight injured were critically ill, he told MPs. Two were being treated in the burns unit, and six were under intensive care.

Mr. Benn said a preliminary investigation was being carried out, and a full inquiry would follow.

● Mr. Benn was attacked in the Commons yesterday for his anti-Common Market opinions.

Mr. Tim Renton (C., Mid-Sussex) told him: "You are the biggest stumbling block to the emergence of a credible EEC energy policy.

"How can such a policy emergy when the Secretary of State is the most dedicated anti-Marketeer?"

Mr. Benn said 51 per cent of the oil invested in Europe was British.

But he was "absolutely opposed" to transferring control of Britain's energy to the EEC Commission.

There was support from our Common Market colleagues—notably the French, he added.

Assembly statement

THE PRIME MINISTER is expected to make a statement on devolution in the House of Commons on Thursday afternoon, just after this week's Cabinet meeting.

Eight Cabinet Ministers under the Prime Minister, who form a devolution committee, met yesterday at Downing Street to draw up the final shape of the statement.

The Government will lay the orders to repeal the Acts setting up the Scottish and Welsh Assemblies at the same time as the statement.

The Government is bound to lay the orders under the terms of Acts because referendum "Yes" votes in both countries did not total 40 per cent of the electorate.

Government sources refused yesterday to say when the vote on the orders would be taken or whether the Prime Minister would name the date in his statement on Thursday.

Trial date changes denied

THE Liberals yesterday firmly denied a report that they are to ask for the Jeremy Thorpe trial to be postponed if it coincides with a general election campaign.

Mr. Thorpe will face charges of conspiracy and incitement to murder at a trial due to open at the Old Bailey on April 30.

The report claims that party officials have contacted civil servants at Downing Street for "preliminary inquiries," but a Liberal spokesman said yesterday: "We are totally mystified. There is no truth to it."

Mr. Hugh Dykes (C., Harrow E.) said: "It would be outrageous and disgusting if the Liberals, who have lost all electoral authority, were to seek to interfere with the normal timetable and natural process of justice."

Cash gain for battered families

BATTERED wives and children are to receive compensation under the Criminal Injuries Compensation Scheme, said Mr. Merlyn Rees, Home Secretary.

Extension to cases of family violence where the offender has been prosecuted will come into force later this year, he said in a Commons written reply.

Previously, victims who were living in the same family as the offenders were excluded, partly because of the difficulties in establishing the facts in such cases, and partly because of the risk that the offender could benefit from an award.

As a safeguard, the Boar will normally consider applications only where the offender has been prosecuted. Injuries will have to be sufficiently serious to justify compensation of at least £500.

The Board will also have to be satisfied that the offender will not benefit.

Extension of the scheme will be on an experimental basis at first so that the effect of the safeguards can be assessed

Officers' powers curbed

THE GOVERNMENT was defeated in the Lords last night on a proposal to curb the powers of trading standards officers to inspect the premises of estate agents.

Peers backed by 103 votes to 46—a majority of 57—an amendment to the Estate Agents Bill which will require officers refused entry to an estate agent's office to get a magistrate's warrant.

According to the Bill's critics—among them Liberal peer Lord Airedale—the Bill would have empowered a trading standards officer to force entry to determine whether an offence had been committed.

The Bill extends consumer protection law.

Lord Gisborough, for the Tories, said the Bill would allow officials to "demand entry and break into files if they wished."

He said there was no parallel power given to VAT, Unsafe Goods and Weights and Measures inspectors.

Lord Airedale wanted the Bill to contain his provision making clear that enforcement officers would have to have "reasonable cause" to suspect that an offence had been committed by an estate agent before they could inspect the premises and confiscate documents.

For the Government, Lord Wallace of Coslany said: "The honest and competent agent should find this Bill hardly imposes on him — but the measure has the power to ban the rogue."

Labour's Lord Darling, a former Board of Trade minister, urged unrestricted right of access for Trading Standards Officers.

In his view, most cases of "chicanery and dishonesty" came to light on routine visits by inspectors.

The committee stage was completed.

Howe seeks alternative to 'self-destructive' policy

BY IVOR OWEN

INCREASES in indirect taxes in next month's Budget will be opposed by the Opposition unless they are linked to cuts in personal taxation, Sir Geoffrey Howe, the Shadow Chancellor, told the Commons last night.

He also said that Hory MPs will vote against any attempt to increase the national insurance surcharge on employers.

Sir Geoffrey roundly condemned the White Paper outlining the Government's expenditure plans for the next three years. He described them as an inescapable roadblock in the path of the tax reductions necessary for beginning to restore the health of the British economy.

The planned increase in public expenditure advocated by Treasury Ministers was positively damaging and self-destructive. An alternative strategy was needed but there was no hope of getting it from the present Government.

"It is necessary to reduce the total public expenditure and hold it to a lower figure for a number of years as a plain signal that a fresh approach is being made to the balance of the economy," declared Sir Geoffrey.

Mr. Howe indicated the Opposition's voting intentions on the Budget after referring to the speech made by Mr. Denis Healey, the Chancellor of the Exchequer, at last week's meeting of the Parliamentary Labour Party.

He was reported to have spoken then in favour of a "neutral" package.

Amid Tory cheers, Sir Geoffrey stated: "If that means doing as little as possible but maintaining the whole of the spending plans set out in the White Paper, and doing nothing whatever to alter the size and shape of the tax burden, then that is a prescription for the continued decline of our economy and our society."

The position would actually be made worse, he contended, if indirect taxes were increased simply to pay for higher public spending.

This would be "inexcusable."

And if the Government were to increase the burden of taxation on industry by increasing the National Insurance surcharge on employers, it would be "an act of grotesque folly."

While dealing with the problems facing industry, Sir Geoffrey called on the Government to consider making special arrangements to meet the difficulties being caused to small businesses and others by the delay in the payment of VAT refunds through the effect of the strike by civil servants on the Government's computer services.

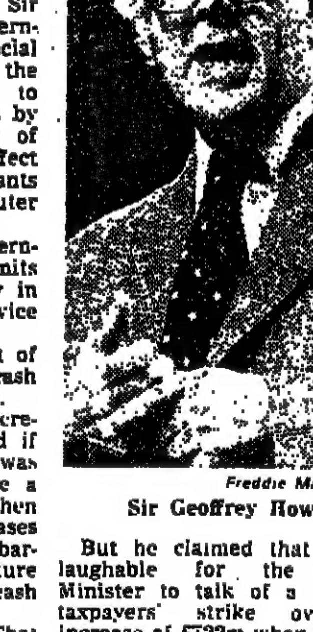
He also criticised the Government for making cash limits "more elastic," particularly in relation to public service workers' pay claims.

This must have the effect of diminishing the value of cash limits as a form of discipline.

Mr. Joel Barnett, Chief Secretary to the Treasury, asked if the shadow Chancellor was really arguing that because a cash limit had been set and then exceeded through pay increases arrived at by free collective bargaining, public expenditure should be cut to keep the cash limit to the original figure.

Sir Geoffrey answered: "That is the kind of question that has to be faced by pay bargainers in private industry very frequently."

Sir Geoffrey conceded the importance of making a critical examination of the size of Britain's net contribution to the EEC budget.



Freddie Mansfield

Sir Geoffrey Howe

But he claimed that it was laughable for the Prime Minister to talk of a possible taxpayers' strike over an increase of £722m when his own Government was planning to increase public expenditure in the UK by amounts in excess of £8bn.

"If there were to be a taxpayers' revolt in this country, the Labour Party would be on the other side of the barricades," he scoffed.

Government accused of 'vicious smear campaign'

MR GERRY FITT, the SDLP leader, insisted in the Commons last night that Government and police sources had orchestrated a "vicious smear campaign" against the Ulster police doctor Robert Irwin, who has said he has evidence of brutality by RUC officers against prisoners.

Mr. Fitt, who was trying unsuccessfully to get an emergency debate on the affair, made his allegation despite strong denials over the past few days by Mr. Roy Mason, Northern Ireland Secretary, and Government officials.

The row erupted in the Commons on Friday after a Daily Telegraph report saying that Government sources claimed Dr. Irwin had made his accusations on television because he was resentful that the RUC had failed to track down thugs who raped his wife.

After Dr. Irwin told viewers he had evidence of prisoners being ill-treated by Northern Ireland police, he became, according to Mr. Fitt, "the victim of a vicious smear campaign orchestrated by Government sources in Northern Ireland—both by the Northern Ireland Office and the RUC."

The campaign against Dr. Irwin was still continuing yesterday in newspapers, said Mr. Fitt. The doctor's professional qualifications were now being called into question and it was being stated that he had been intimidated by the IRA.

"This is a disgraceful attempt to undermine his credibility," he added.

"I believe Dr. Irwin has suffered grievously because of this slanderous, vicious campaign.

"There must be a debate to answer every aspect of this rumour and innuendo campaign, which I believe was orchestrated by Government sources in Northern Ireland, the Northern Ireland Office and the RUC."

● A book on prison slang for prison visitors has been produced by the Home Office. Merlyn Rees, Home Secretary, said in a Commons written reply to Robert Adley (C Christchurch and Lymington). He said that 3,000 copies were printed at a cost of £177.

Microelectronics 'threaten up to 250,000 office jobs'

BY CHRISTIAN TYLER, LABOUR EDITOR

ELECTRONIC equipment could put an end to up to 250,000 office jobs by 1983, according to research by the Association of Professional, Executive, Clerical and Computer Staff published today.

APEX is one of the first trade unions to produce a detailed analysis of the effects of microelectronics in a sector of industry widely thought to be the most vulnerable to change.

It has coupled its working party report, which will go to its annual conference for debate, with a list of guidelines for negotiators on how to deal with company plans.

APEX says that unions should co-operate with employers and the Government to prevent what could be large-scale unemployment among office workers over the next decade.

The report argues that jobs could be "as much, or more at risk" if new technology is resisted or ignored.

Some of the union's working party found that word processors need not result in the actual loss of jobs, but could instead double the output of secretarial work.

Its report urges union officials to resist natural wastage, which it says is a way of redistributing unemployment, and to argue for redundancy schemes which puts the onus of finding new work on the employer. It also says a "machine-controlled environment" should be resisted.

Word processors would eventually change the jobs, not only of secretaries and clerks, but also of senior managers. New job evaluation studies should be made to prepare for that change.

The report also sets out safety standards for use of visual display units (VDUs), and urges a substantial education programme for union officials and lay representatives. It says agreements should be reached at company rather than plant level.

Ambulancemen and hospital workers renew strike action

BY PAULINE CLARK, LABOUR STAFF

FURTHER STRIKES were called by ambulancemen and hospital ancillary workers in several areas of the country yesterday as the National Union of Public Employees continued its campaign for a higher pay offer.

Ambulancemen in West Glamorgan decided to strike for 48 hours from midnight last night in response to a lock-out of colleagues in the south of the county.

Renewed action by hospital ancillary workers was reported in Mansfield, Derby, Northampton and Bolton.

The union has resisted attempts by other hospital unions to persuade it to fall in line with their acceptance of a 9 per cent offer plus £1 "on account" in advance of a comparability study.

Although it faces being outvoted by the negotiating committees for both groups, NUPE hardened its attitude over the weekend after reports that nurses were to be offered an extra £1 "on account."

The union said yesterday: "We want the best deal possible for nurses. But if the Government thinks it can come up with a different offer for nurses than for other health workers in this dispute, it will have to think again."

It said that an improvement in the present offer should apply to both groups and that it should be left to the comparability study to determine whether one should eventually receive more than the other.

The extra £1 "on account" proposal was neither confirmed nor denied by the Department of Health yesterday, and union negotiators on the Nurses and Midwives Whitley Council said they were not aware of any new approach from Ministers.

The nurses' negotiating committee is to meet again on Tuesday but any formal indication of an improvement in the terms would probably lead to an earlier meeting.

Even if the extra £1 "on account" offer is made official it seems unlikely to do much to solve the present conflict.

Nurses' leaders have emphasised that no movement has been indicated towards meeting their demand that the first tranche of payment from the proposed comparability study should be made in April instead of August to fulfil promises made at the time of the April 1978 pay settlement.

At present, however, the action by hospital ancillary workers and ambulancemen is causing most of the disruption to the health services.

The Department of Health said yesterday that service ambulances were still being used in the worst-hit areas of Gloucestershire, Greater Manchester, Liverpool, Northumberland and Leeds.

It said the number of hospitals affected by ancillary workers had dropped over the weekend from 500 to 450.

British Steel lays off 750 after 243 spurn appeal

BY RAY PERMAN, SCOTTISH CORRESPONDENT

THE BRITISH Steel Corporation laid off 750 production workers from its Ravenscraig works at Motherwell yesterday after 243 unofficial strikers refused an appeal from their union to return to work.

Iron and steelmaking at the plant, the largest in Scotland, has been halted since last week, although the hot strip mills are being kept in operation using metal from stock.

The strike, by men employed in the basic oxygen steelmaking and continuous casting departments, is over the introduction of a work-measured incentive scheme.

Negotiations between the corporation and the Iron and Steel Trades Confederation broke down a week ago. The walk-out followed, with the men claiming that developments at the plant meant new work.

They turned down an appeal yesterday to allow the matter to be settled through the disputes procedure.

Ravenscraig has been undergoing an extensive modernisation programme which has increased its steelmaking capacity from 1.5m to 3.2m tonnes a year. It supplies mills at Glengarnock, Dalzell and Clydebridge, but so far they have not been affected by the dispute.

Inquiry sought

● Union leaders at Shotton steel works, Clwyd, are calling for a top level inquiry into steel imports which they say are costing Britain thousands of jobs.

Details of recent deals between British companies and foreign steel suppliers are being passed to the worker-directors on the British Steel Corporation Board and the leader of the Iron and Steel Union, Mr. Bill Sirs.

Included in the dossier is a rundown on the destination of a £2m cargo of coiled steel, imported from South Africa through Birkenhead Docks during the past few weeks.

The chairman of Shotton action committee, Mr. Monty Hughes, said that some of the 15 companies who had ordered the steel were regular Shotton customers, and workers were entitled to know why the corporation was losing opportunities to increase sales.

He said that they also had evidence that the Corporation had imported 90,000 tonnes of steel from the U.S. during the past 18 months, and had stored it until UK prices reached the level at which they had bought the supplies.

"While all this is going on, the corporation is turning away business, and men are being put on the dole. There is a three months' waiting list for Shotton steel because the corporation has not invested in modernised techniques there. It is about time that the corporation's policies were made known to the public," he added.

Court case to win back air travel concession

OVER 2,000 British Airways workers are taking the airline to court today in an attempt to lift the management's withdrawal of travel concessions from staff who refuse to work normally.

The action is being brought by members of the Transport and General Workers' Union's European division, including baggage loaders, cleaners and ground staff. The union has refused to back them.

Since the airline warned staff at Heathrow that travel concessions would be withdrawn if they refused to work normally, nine ramp supervisors in the European division have been penalised. Union officials say that in the overseas division up to 200 ramp workers have lost their concessions.

Senior shop stewards at Heathrow said yesterday that they were taking court action because the airline had no right to withdraw a concession which was in the staff contract.

Money to fight the case had been raised by collections among staff and the stewards had arranged a bank loan, one of their number said. The union was refusing to back their case because it did not see it as an industrial dispute.

A senior shop steward, who did not wish to be named, said there was a "strong possibility" that staff in the overseas division would also attempt to have concessions reinstated by the courts.

AUEW men walk out

TALKS are to be held between AUEW officials and the management of Coseley Buildings at Lanesfield, Wolverhampton, when 120 men in dispute over a pay claim, walked out.

York newspaper peace hopes are dashed

HOPES THAT York's evening newspaper, the Yorkshire Evening Press, would be back on the streets soon were dashed yesterday when printers turned down further pay talks. Publication ceased on March 6.

After the printers rejected three pay offers, the paper's general manager, Mr. Jim Neal, said today: "Their union, the National Graphical Association, says it can see no purpose in further discussions on the proposals put to them."

Forty-eight printers were dismissed on March 6 because they refused to call off a five-month go-slow in pursuit of their pay claim, which had resulted in late editions, reduced paging and thousands of lost copies.

Scottish rail services hit

RAIL SERVICES in Scotland were yesterday hit by a strike by maintenance workers. British Rail had expected the maintenance men, who service diesel trains, to stage a 48-hour stoppage from 10 p.m. over a pay claim, but at many depots the men walked out much earlier.

Suburban services were operating for only two hours during the afternoon peak period.

The Glasgow-Edinburgh service was reduced to one an hour; trains between central Scotland and Inverness and other services throughout the country were all restricted.

Vietnam aid attacked

BRITISH aid to Vietnam is "supporting a satellite of the Soviet Union," Tory spokesman Richard Luce said in the Commons yesterday.

Judith Hart, Overseas Development Minister, told him that the aid commitments involved long-standing contracts on which the Government would not renege. She agreed that there was genuine cause for concern about human rights in Vietnam.

Mrs. Hart's comments were made after Mr. Luce demanded justification for spending taxpayers' money on supporting a satellite of the Soviet Union which, he said, pursued anti-Western policies, had recently invaded Cambodia, and in which there was a gross abuse of human rights.

THE JOBS COLUMN, APPOINTMENTS

High-pressure economist centred on Henley

BY MICHAEL DIXON

QUESTION: Compared to what would "the worst form of aristocracy" be a blessing.

Answer: Government "by a contemptible democratical oligarchy of glib economists." So said Samuel Taylor Coleridge, anyway, and I cannot but wonder what he might have thought today. After all, most countries are now frequently told what to do by economic forecasters banded together within a State Treasury or in some more or less independent institute.

Second question: Compared to the above computerised astrologers, what difference is claimed by the Henley Centre for Forecasting which is now in need of a new chief executive director?

Answer (in the words of deputy director David Passey): "We don't try to change the face of a country by saying what it should do. We rather say: this is the way we think things are likely to turn out, and for these reasons . . ." In other words, the London-based Henley Centre, which is connected with the well-known management school at Henley which in turn is now connected with Brunel University, sees itself more as a computerised, economic meteorologist.

The centre's originator, James Morrell is stepping down as chief executive so as to devote himself to special projects, and although he will be entitled founder director he will be responsible in operational terms to the new chief who replaces him.

Other staff include a quarter of a ton of professionally qualified analysts such as econometricians, plainer economists, and statisticians. There are about 10 more people providing services. Ace administrator Mr. Passey, who is currently acting director, will continue to run the organisational side.

So the recruit will be concerned predominantly with advancing the centre's professional activities, and with its business in the sense of making sure that work keeps rolling in.

"We definitely need a doer," said David Passey, "and one who can turn the hand to various different things."

Policy planning, continual assessment of the technical approaches open to economic forecasters, and influencing people in high industrial, academic, political and administrative places, are all important tasks.

As well, the new chief will be expected to write papers and give lectures from the basis of personal involvement in the professional projects of the centre, which has nearly 2,000 subscribers, mighty and small, in various parts of the world.

"If you want one of our forecasts, then you pay for it, and we also market a whole range of publications," the acting director added. "In addition, we do a lot of individual consulting jobs. If some organisation wants to raise money for a longish period, for example, we'll advise them on the likely long-term development of foreign-exchange and interest rates. We pride ourselves particularly on our currency forecasting.

"And we're developing social forecasting, too, in a numerate form. Looking at why changes occur in a population's propensity to change, and things like that.

"Another job we do is to put on seminars, and we hold short courses to train people in economic - forecasting techniques."

To lead the organisation, the new chief will need not only pristine academic qualifications in some directly related study, but also impressive experience in business. "Knowing the theory wouldn't do by itself," Mr. Passey commented, "the job requires someone who has had to test the theory by making decisions on it, and then had to cope with how they worked out in practice."

Given that combination, candidates could at present be working in business, public services, or academic life, and provided that they are culturally transferable to the UK in general, and to its policy-making heights in particular, could come from any country. The age range is about 38-55. The salary will be at least £16,000.

Applications in writing, and detailing suitable qualifications, to Professor Tom Kempner, chairman of the centre, at 2-4 Tudor Street, London EC4Y 0AA.

I gather, by the way, that he wouldn't mind telephone calls from serious candidates astute enough to find out his number. So since, by definition, all Jobs Column readers must be astute, they might save time by trying 049 166 454.

Satellites

WILF ALTMAN, chief of Co-ordinated Marketing Services in London, is offering a deal to people who can demonstrate success in promoting companies and their products and services to the Press, the financial world, their trade associates, their customers and any other relevant group: and who are justifiably ambitious to run their own business.

He is willing to provide salary at a rate of £8,000 to £10,000 plus car while such people start satellite "business communications" companies. Should they succeed, the reward will be at least 25 per cent of their company's equity. Should they fail . . . well, Mr. Altman reckons he will know it within three or four months.

His company has apparently given directorships to women in their early 20s. But either sex aged up to the mid-40s could be suitable provided that the experience is germane.

Inquiries to Wilf Altman at 21 Great Portland Street, London W1N 5DB—tel. 01-637 2281; Telex 21980.

Paris

WALTER IMTHURN wants to import into Paris a skilled senior Eurobond trader to be responsible to him while working for the United States owned investment banking company of Smith, Barney, Harris, Upham.

Obviously he would prefer candidates to be fluent in French as well as in English, but the essential qualification is a record of success in trading on one's own initiative both on a large scale and in complex mixtures of currencies. The age range is 30 to 40 with a preference for the lower end. He would not state a salary, but my estimate is—in terms of U.S. dollars—from $40,000 to $50,000.

Applications giving brief outline of appropriate experience to Mr. Imthurn at 7 Place Vendome, 75001 Paris, France —tel. 260 34 04; Telex 680608.

Sales generator

AN INTERNATIONAL sales engineer is wanted by Roderick McKenna of West One Selection for the £10m-turnover London-based company of a U.S. group. Since he may not name the employer, Mr. McKenna promises to abide by any applicant's wish not to be identified to the client until specific permission has been given.

The group manufactures rotating equipment and turbines, and its business ranges from power-station projects down to turbo-generator sets. Responsible to the sales manager in London the newcomer will cover Scandinavia and west and southern Africa as well as the whole of the UK.

Candidates need demonstrable sales success in the heavy engineering field, and would be helped by a relevant professional qualification. Age 32-38. Basic salary about £10,000 plus bonus on performance. Perks include car. Considerable travel.

Applications with curriculum vitae to Mr. McKenna at 61 Berners Street, London W1P 3AE. Tel. 01-636 8791; telex 28604 ref. 3013.

Unique Finance Opportunity

ACA's and MBA South Coast

The British subsidiary of a major American Corporation, with an outstanding record of achievement and high profitability has an important new opening for a young Accountant.

Ideally we would like to meet qualified ACAs aged 28-34 who have also been to business school (a degree in addition would be perfect, who would now like the opportunity to work closely with the Company Finance Director and other senior management.

The successful candidate would take a full part in the running of the financial Division and gain an all round exposure to all aspects of the function.

In the long term the promotion prospects are outstanding, either in the U.K., U.S.A. and/or Europe.

A five figure salary is negotiable and the package of benefits, which includes a Company Car provision, is as one would expect from a company of this nature.

Interested applicants should send brief but comprehensive career details, quoting Ref. No. 487A/3/FT to the address given below.

Charles Barker-Coulthard
30 Farringdon Street, London EC4A 4EA.
Telephone 01-236 0526

Management Selection – Executive Search

ALPS ACCOUNTANCY & LEGAL PROFESSIONS SELECTION LTD
35 New Broad Street, London EC2M 1NH
Tel: 01-588 3576 Telex 887374

An interesting and important appointment — scope to become Chief Accountant in 2-4 years

COMPANY FINANCIAL ACCOUNTANT/ADMINISTRATOR

LONDON, S.W.1. **£8,000—£9,500**

EXPLORATION AND PRODUCTION SUBSIDIARY OF MAJOR INTERNATIONAL OIL COMPANY

We invite applications from qualified accountants (C.A., A.C.A., A.A.C.C.A. or A.C.M.A.) aged 26-30 who have acquired at least 2 years post qualification experience, have controlled a small accounts team and are familiar with computerised accounting systems. The successful candidate will be responsible, through a small and able team, for the production of monthly financial reports to tight deadlines, day to day financial controls and the administration of computerised accounts systems. An innovative mind and an interest in systems improvements are important. Initial remuneration negotiable £8,000-£9,500 + contributory pension, free life assurance, assistance with removal expenses if necessary. Applications in strict confidence under reference CFAA 012/FT to the Managing Director:

ACCOUNTANCY & LEGAL PROFESSIONS SELECTION LIMITED
35, NEW BROAD STREET, LONDON EC2M 1NH. TELEPHONE 01-588 3588 or 01-588 3576. TELEX 887374

Engineering-Oriented Director & General Manager

To add a 1980's chapter to a 1970's success story
c £14,000 + car - mid thirties - Midlands

General managers in their mid-thirties whose experience already includes successful profit responsibility usually seek either unsuccessful companies to turn round or new ventures to develop. Often they fail to recognise the even greater challenge of leading an already successful company into the next decade with the inevitable problems of a changing economy, changing technology, and a changing I.R. scene. Too often, successful companies are left to comfortable established middle-aged directors, who merely repeat last year's formulae – and then blame "outside factors" for the gradual decline. This company, with about a thousand people involved in the design and manufacture of a wide range of process-equipment, is indisputably successful. Turnover has grown by a factor of ten in the past decade, there's been a more than proportionate increase in profit, and spectacular export achievement. Its management remains intact. So why a new appointment? Firstly, acknowledgement that growth, particularly overseas, has led to an untidy even unmanageable, organisation structure; secondly, foresight to prevent the paralysis of complacency. We are looking for a general manager to take total profit responsibility for the UK operation (six hundred people), leaving the M.D. free to control overseas subsidiaries, develop further international contacts, and look to the company's future. The right candidate will be a mechanical engineer whose intellect can be demonstrated by academic, professional and practical achievements; some chemistry in the background would be useful, but primarily we want an engineer who can control and motivate an entire corporate organisation. Development potential, both within the company and beyond, justifies the stringent standards we are setting. Reference 937/TRW.

Young Managing Director

Chemical/Mechanical Engineering operation
c £12,000 + car - South East

The basis of the company's operation is the fabrication of vessels and the installation of plants involving sophisticated instrumentation: its technology is of proven high quality, and is sought by blue-chip chemical manufacturing organisations. The undoubted strength of the company stems from the product, the process expertise, and the support of one of the country's most respected engineering groups. Note "support" – not control: the group has built its success on giving maximum autonomy to individual companies. Although tempted to write lyrically about the location, we decided that the ambitious and profit-conscious young M.D. we hoped to attract would be more impressed by that autonomy – and by the prospect of real market development in the United States – than by cheap housing amid the buttercups. It's a smallish company in a specialist industry, so the M.D. will need the mental equipment to cope with both detailed technology and broad-ranging questions of company profitability, plus the personality and willingness to forget status and get on with the job – particularly selling. The ideal CV will show an engineering background (mechanical or chemical), domestic and export selling, contracting, production, and a modicum of profit responsibility. It may sound like the recruiter's nightmare - "40 years' experience, aged 35" – but worthwhile careers *can* be built by the mid-thirties, if not before. Although we'll enjoy meeting those few applicants who really do meet our specification, above all, we're looking for genuine talent. Reference 936/TRW.

Applications, which may be from male or female candidates, will be treated in complete confidence and should be sent, quoting the appropriate reference and giving full career details, to Terry Ward.

BROOK STREET EXECUTIVE RESOURCES LIMITED
47 Davies Street, London W1Y 2LN. Telephone 01-499 7382

Allied Medical Group Limited
are seeking

TWO ASSISTANT BUYERS

Firstly in the Capital Equipment Section where the successful candidate is likely to have some experience in the purchase of non-expendable Medical Equipment. Secondly in the Pharmaceutical and Laboratory Consumable Section where a knowledge of Pharmaceuticals, with special emphasis on Laboratory consumables is required.

In both positions a keen commercial approach is needed and a willingness to engage in the hurly-burly of a fast growing business.

The Purchasing and Supply Division of this International Health Care Company is rapidly expanding and there are excellent opportunities for internal promotion with the possibility of overseas travel. Both posts carry attractive and progressive salaries plus the usual benefits associated with a large company.

Application Forms are obtainable from:

The Personnel Officer
Allied Medical Group Limited
18 Grosvenor Gardens
London, SW1
Tel: 01-730 4511 Ext. 208 or 250

Closing date: 10 days from date of publication.

ACCOUNTING OPPORTUNITIES IN SAUDI ARABIA

Allied Medical Group Limited as Consultants to the Riyadh/Al Kharj Hospital Programme are currently engaged in installing a computer based information system at Riyadh, Saudi Arabia. The systems are sophisticated and accounting elements include responsibility for budgeting, patient billing and Item of Service Costing. The final phase of recruitment for the finance department will take staff levels up to the full establishment of 30 and include a number of key posts which offer the opportunity of experiencing the introduction of United States accounting techniques in an essentially UK Health Care environment.

Salaries are paid tax free. Other benefits include free accommodation of a high standard. Subsidised restaurants, free medical care and one month's paid leave after each six months service. Fares to and from Saudi Arabia on commencement and completion of contract, and for UK leave are paid by the Company. Applications are invited for the following posts for which a two year contract will be offered to successful candidates.

ASSISTANT CONTROLLER

One of two second line posts requiring an applicant capable of deputising for the Financial Controller, who is a member of the Hospital Executive Committee. The successful candidate will be a qualified accountant with Health Service experience, probably in the age range 28-35 years, presently holding at least Deputy Area Treasurer status.
Salary circa £16,000 p.a.

OFFICE/DATA PROCESSING MANAGER

The person appointed will have had experience of E.D.P. and be capable of supervising a Data preparation and processing section.
Salary circa £13,000 p.a.

SECTION MANAGERS

Two vacancies exist for persons capable of supervising accounts sections of up to five people, the first dealing with General Ledger and Fixed Assets control, and the second with Inventory control.
Salary circa £11,000 p.a.

Interviews for the above positions will take place in early April, 1979, in London. Written applications accompanied by a curriculum vitae should in the first instance be made to Dennis Debenham, Personnel Officer, Allied Medical Group Ltd., 18 Grosvenor Gardens, London SW1W 0DZ, within 10 days of the advertisement appearing.

LIPTON

International Tea Company has a vacancy for an experienced

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He/she should be aged between 30-40 years and have had a minimum of 10 years in the Trade. Preference will be given to applicants who have a widely based background covering both buying and blending. Proven management ability essential and some overseas experience would be viewed as an asset. Work will be based primarily within the UK.
Salary negotiable.

Written applications in confidence to:

Group Personnel Manager,
Lipton International,
Station Avenue,
Walton-on-Thames,
Surrey.

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(New Posts)

Suitably qualified and experienced applicants are invited for these posts. Each ACO will be accountable to the Chief Officer for one of the following major areas of the work of the Council:

1) FINANCIAL, LEGAL AND PERSONNEL ADMINISTRATION
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Salary from £9,500 to £10,500, salary level depending on age and experience.

Further particulars and application form from:
Business Education Council (ACO),
76 Portland Place,
London, W1N 4AA.

Completed application forms should be returned within two weeks of this advertisement.

INSOLVENCY PRACTITIONER
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National Firm of C A's require experienced Insolvency Practitioner to assume responsibility for existing varied insolvency work and to develop this aspect of the practice.

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Further your future prospects by joining this leading organisation. The expertise and qualifications you have already gained will be highly rewarded with opportunities available to develop into the more interesting specialist fields if desired. Our clients can offer a comprehensive study package if required. *For further details:*

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We are a firm of London Stockbrokers anxious to expand our Branch network in the South of England and particularly along the South Coast. The opportunities which we offer will appeal to Stockbrokers and others experienced in giving investment advice who would welcome the challenge of starting up and expanding a Branch office within their local environment.

Applicants should write giving details of their experience to Box A.6701, Financial Times, 10 Cannon Street, EC4P 4BY

Management Services Executive

(c. £6,791 — £8,729)

The Board has powers to assist financially any business that will contribute to the economic and social development of the Highlands and Islands, to set up any businesses for that purpose, and to provide or assist in the provision of advisory, training, management, technical, accountancy and other services. The work of the Board has now reached the stage where it is proposed to set up a small Management Services Unit, the responsibilities of which will include:

(1) Management advice in the setting-up phases of certain newly-assisted companies:

(2) Management help for an agreed period to Board-assisted companies which are at a particularly difficult state of development or where there is a specific need for such management assistance:

(3) Management assistance to staff of Board-owned projects and assisted companies.

We are seeking a Management Services Executive to lead this Unit which will be based in Inverness. However, staff in the Unit may be required to spend periods in the management of projects or companies anywhere in the Board's area.

Applicants should be aged between 35 and 50 years and have a qualification in a relevant discipline, e.g. engineering, marketing or accounting. Practical experience in industrial or commercial management or experience in management consultancy at a senior level is essential and the successful applicant will be expected to be familiar with modern management techniques and have an understanding of the problems of smaller businesses.

For further details and an application form please telephone or write to:

The Personnel Officer (FT)
Highlands and Islands Developcent Board
Bridge House, Bank Street, Inverness IV1 1QR
Telephone: Inverness (0436) 34171 Ext 268

Highlands and Islands Development Board
Bridge House, 27 Bank Street, Inverness.

Corporate Planning - Hampshire

c. £7,000 + mortgage subsidy

The TSB Trust Company, an autonomous subsidiary of the Trustee Savings Banks Central Board, is a fast expanding company in the life insurance and unit trust industry.

A newly created vacancy exists for a Corporate Planner reporting directly to the General Manager and offers a unique opportunity to develop a corporate planning function from scratch.

We are looking for a numerate man or woman, aged 28 + with a degree level education and preferably with a post graduate diploma in management studies, followed by at least five years' experience in a large company using a sophisticated approach to corporate planning.

All applicants must be able to demonstrate their ability to work on their own initiative and to take responsibility.

The starting salary will be negotiable around £7,000 p.a. and other benefits include a mortgage subsidy scheme and non-contributory pension and permanent health schemes. Generous relocation terms are also available.

Applicants should make an application form unnecessary by writing with full career details to:

Alan Willis, Personnel Manager,
TSB Trust Company Limited,
PO Box 3, Keens House,
Andover, Hants SP10 1PG.
Telephone: Andover (0264) 62188

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You can be frustrated for any reason at all, real or imagined. Over a salary you think is too low, and may well be. Over rewards or benefits that are too stingy. Over a lack of responsibility, lack of incentive, lack of opportunity, lack of recognition of your talents—over a lack of anything, including a future. We're here to help resolve the frustration. We can show you how good you are—and at what. We can help you obtain the right job, if you're in the wrong one. With the right company and the right people.

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Simply dial 01-734 0752 and ask for Donald Ham. Or write to him at:

Royston Ridgeway career managing people
Kent House, 87 Regent Street, London W.1.

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VC da

VICKERS da COSTA LTD., Members of The Stock Exchange, and leaders in the London Traded Options market require a further institutional salesman.

Applicants (male or female) must have a working knowledge of statistics and experience in contacting institutional investors. A competitive salary depending on age and experience is envisaged.

Apply:– Personnel Manager,
Vickers da Costa Ltd.,
Regis House, King William Street,
London EC4R 9AR. Tel: 01-623 2494.

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Denise C. Coleman,
Institutional Investor
(Europe) Inc.,
28, Great Queen Street,
London, WC2.
Tel: 01-242 9598.

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c. £6,500
Merchant Bank

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REWARD — A secure progressive position with an excellent employment package including mortgage subsidy.

ACTION — Please ring Roy Stockton, M & J Personnel Consultants, 01-839 1836/7, Grand Buildings, Trafalgar Square, W.C.2.

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International Bank is looking for a 35/40-year-old Executive.

The candidate should have had wide commercial and banking experience, particularly in Switzerland and Israel. He/she should possess experience in investments, consulting, Stock Exchange and portfolio management. He/she is expected to have a university degree in Economics and Banking and should be fluent in English, German, French and Hebrew. Excellent conditions offered for right candidate

Apply with curriculum to Box A.6702, Financial Times, 10 Cannon Street, EC4P 4BY.

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Assistant manager for large and expanding enterprise in the West End. Exciting opportunity for energetic person (25-35) who combines good administrative ability, charm and flexibility with a strong interest in the antique trade. Starting salary £8,000 p.a.

Apply in writing Box A.6698, Financial Times, 10, Cannon Street, EC4P 4BY.

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£10,000

with metals or softs experience

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An opportunity has arisen for a challenging post as executive assistant to a leading Saudi Industrialist. Based in Jeddah, the post will involve high level negotiation and the financial co-ordination of the group interests.

Very attractive salary, tax free, plus usual allowances. This post would appeal to an executive with university background or accountancy qualifications, and at least eight years industrial or merchant banking experience.

Apply to:
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D.R.Llewellyn (Services) Limited
D.R.Llewellyn Group
West End House, 11 Hills Place
LONDON W1R 1AG

INTERNATIONAL BANK BAHRAIN—THE GULF

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CREDIT OFFICER · FINANCIAL ANALYST
LOAN ADMINISTRATOR
QUALIFIED ACCOUNTANT

An expanding bank founded by a major Arab commercial bank and a leading French bank requires the above officers to develop its services.

All applicants must be fully trained and experienced for these responsible positions.

Attractive remuneration package, negotiable, depending on experience and qualifications, but not expected to be less than £15,000 p.a.

Applications with full curriculum vitae to:

P.O. Box 20220, Manama
State of Bahrain

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Small quoted group (London, Birmingham and North) requires experienced Accountant, aged 35-45, to take immediate charge of group cash flow and reporting systems. £12,000 p.a. + car, pension. Possible early main board directorship. Must be prepared to become involved with general policy and be available in London, Birmingham and elsewhere as and when required.

Please reply to Box A.6707, Financial Times, 10 Cannon Street, EC4P 4BY.

INTERNATIONAL TRANSPORT, SHIPPING, FORWARDING EXPERT

39-y.o., German, member of the top management of an international German worldwide transport organisation, worldwide connections 5 years based in the Middle East since 8 years head of the European and overseas branches. Activities project and special transports, planning and execution from vendor to site, sea, land, combined transports container and conventionally, looking for new engagement either as partner or employment-contract with participation. Because of uncancelled employment contract, please contact Box F 1096 Financial Times, 10 Cannon Street EC4P 4BY.

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SECTION HEAD L/A BROKER

This position has director potential, good salary plus excellent benefits

Please contact,

Mike Pope or Sheila Anketell-Jones
01-236 0731
30-31 Queen Street, EC4

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£4,500

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£6,000 accountancy appointments £9,000

These appointments appeared in the Financial Times on 13th March. For full details see the FT of that date or alternatively telephone Julie Burgess on 01-248 8000 ext. 526.

JOB TITLE	SALARY	LOCATION	ADVERTISER
Financial Analyst	c£8,000	C. London	NAG/Letraset
Accountant/Partnership Sec.	c£9,000+ Benefits	—	Personnel Appts.
Accounting Officer	—	London SW1	C.B.I.
Finance Management	c£8,000	Swindon, Wilts.	Plessey Microelectronics
Manager—Finance & Administration	—	Stockton-on-Tees	H. P. Ingledew & Co. Ltd.
Financial Accountant	c£8,000	Brentford	Lloyd Management/ Philip Morris Ltd.
Qualified Accountants	£7,000+	London/Ipswich	Guardian Royal Exch.
Management Accountant	c£9,000	East Midlands	AK Advertising
Internal Audit	—	French/Swiss border	General Cable Corp.
Accountants	£6,000 + Car	London W8	Airfix Industries Ltd.
Ass. to Group Financial Controller	c£7,500	London SW1	Personnel Resources Ltd.
Recruitment Consultants	—	Berks, Bucks. Herts.	Management Personnel
Management Accountant	£7-7,500	London	M & J Personnel Cons.
Accountant	c£5,750	Chiswick	F.T. Box No. A.6694
A.C.A.	£6,000	Romford	Clemence Hoar Cummings
Financial Controller	Neg.	Crawley	Gatwick Bkg. Services
Chief Accountant/ Co. Sec.	—	Watford/ Rickmansworth	F.T. Box No. A.6693
Qualified Accountant	c£6,500+ Benefits	West End	—
PART QUALIFIED Accountant	£4,000-£5,000	—	M & J Personnel Cons.

Look upon your Accountancy qualifications as an overseas travel permit

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Your chief responsibility will be the effective structuring of all the Company's information systems; and in close collaboration with the Data Processing Systems Manager you will recommend any modifications or additions that become necessary.

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Relocation assistance will be offered, where appropriate, as part of the realistic remuneration package of both these jobs.

Applicants, male or female, please write to Ian Cluett at the address below, quoting reference AY/309/FT. List separately any companies to which your application should not be forwarded. All replies will be answered.

B&B CONFIDENTIAL REPLY SERVICE
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FINANCIAL ANALYST

c. £8,000

Our client, a quoted manufacturing and retailing group, currently requires an analyst to join their London Head Office Team

Apart from ad hoc exercises the duties will include capital expenditure proposals, consolidation and detailed monitoring of approved projects, control and allocation of cash resources, periodic consolidation of the group financial information and some involvement in budget preparations. The central Head Office plays a very important role in the division's activities and the successful applicant will enjoy the opportunity to see the group's activities very clearly.

Young qualified accountants or graduates with MBA or MSc qualifications who see their future developing within this increasingly sophisticated function should apply to Richard Wilson, MA, quoting Ref: FT 12.

David Clark Associates
4 New Bridge Street, London E.C.4
Telephone: 01-353 1867

Accountancy Personnel

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CHIEF ACCOUNTANT

N W London/Herts £8.000 + bonus

Successful £5m T/O engineering company. Responsible to Financial Director for total financial accounting function. Probably suit qualified ACA/ACCA/ACMA aged 27+ seeking general management responsibility. Ref: RJM 4520.

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Please telephone or write immediately for details of these or other vacancies to: Richard Mooney or Ian Crichton, Accountancy Personnel Senior Appointments

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An important point of entry has always been the Management Audit function where we now have two vacancies to fill, arising through promotion, one in the North and one in the South of England.

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Candidates, male or female, should be qualified accountants, aged 25–30, with or without industrial experience. Key requirements are technical competence, ability to operate independently, vitality, commercial purpose and the self confidence to deal with all levels of management especially at most senior level.

Location: Maidenhead, Berks. or Spennymoor, Co. Durham. Removal expenses paid if required.

Black & Decker

Please write giving brief career details including salary and job progression to:–
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Tel: Littlewick Green (062 882) 2130.

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International Recruitment Consultants

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c.£8,000 + Car
North London

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★ Candidates aged 28+, and preferably Chartered, should ideally have several years experience of the financial and operating aspects of a construction company with interests in the private development market.

★ The successful candidate will be responsible for the effective operation of an established department and will report to the Managing Director. Future expansion of the accounting function, to [illegible] will also form an important aspect of this position.

★ This appointment offers excellent career prospects with an expanding and successful company. Fringe benefits include a company car, contributory pension scheme with free life assurance and relocation expenses where appropriate.

★ Please telephone B. J. Hay for a preliminary discussion or write in complete confidence to the address below.

Ashbrittle Limited, Seabrook House, Wyllyotts Manor, Darkes Lane, Potters Bar, Herts. Tel: Potters Bar (STD 0707) 42406

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circa £8,000 **London E.C.**

A diversified U.K. public Group, trading internationally, requires an enthusiastic accountant to assist the Tax Adviser in providing a full tax function.

The work involves some U.K. and overseas tax computations and their agreement with the Revenue authorities. The person appointed, however, will also be required to give tax advice and assist in Group tax planning.

The position offers an opportunity to help develop a new department in an expanding business environment. Candidates must be qualified accountants or ATII with relevant corporate tax experience.

Applications, in confidence, to E. A. C. Griffin quoting reference 6362.

This appointment is open to male or female candidates.

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2/3 Cursitor Street, London EC4A 1NE
Management Recruitment Consultants
01-404 5801

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Sevenoaks, Kent

Young Financial Manager

North Kent c £8,000 + Benefits

Our client is the U.K. subsidiary of a world leader in a precision engineering field. The Company has an annual turnover of approx. £20 million and employs in the region of 1,200 people.

Reporting to the Financial Controller, the Financial Manager will have a staff of 10 and cover a wide range of financial aspects. These include capital investment appraisal, capital budgets, product profitibility and pricing, major contract tender reviews and treasury/cash management.

To fill this interesting position, we are looking for a young qualified accountant with at least two years' post qualification experience, ideally gained in a manufacturing or engineering environment. Preferably a graduate, you will have a strong bias towards business management.

Our client offers an attractive remunerations package coupled with excellent promotion prospects

Please contact: Maureen Hobbs
Maidstone (0622) 677611
(Answering Service out of hours 01-235 6938)

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Applications are invited from Chartered Secretaries in the 25-35 years age range, who have not less than two years relevant post-qualification experience preferably within a large organisation. First hand working knowledge of export and international trade matters, particularly of legal aspects, would be an advantage.

Please write giving brief career details to:–
Position No MA 205, Robert Marshall Advertising Limited, 44 Wellington Street, London WC2.

Robert Marshall Advertising Limited

Management Accountant

North West London c £7,000 negotiable

Here is an opportunity to become part of a team of managers involved in a company with a turnover of about £6 million and supplying a wide range of components for the domestic appliance industry. You will report to the Financial Director and will control both the cost and financial accounting functions

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(Answering service out of hours 01-235 6938.)
PER, 4/5 Grosvenor Place, London
SW1X 7SB.

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The major duties of this post include the analysis of Divisional Companies' plans and preparation of strategies and financial projections: examination of development strategies and analyses of industries which might warrant company involvement. It needs a degree in Business Studies or Economics with an accounting awareness backed with two - three years planning experience in an industrial commercial concern.

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PER, 4/5 Grosvenor Place,
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CHIEF ACCOUNTANT COMPANY SECRETARY

Suitably qualified and experienced, required to take complete charge of Accounts Department of engineering firm in Watford/Rickmansworth area. To be responsible for the staff, the financial accounts, management accounts, costings and general financial administration, as well as usual Company secretarial duties. A mini-computer is operated, with scope for extension of its use. Pension and life insurance scheme and other benefits. Applications, with full particulars of employments, experience and salary earned and expected which will be treated in strict confidence, to:

Box A6633, Financial Times
10 Cannon Street, EC4P 4BY

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This major international manufacturing company requires someone to provide financial and analytical skills for the UK management to assist in marketing control

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at: St. Alphage House,
2, Fore Street, EC2,
for full details

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COMPANY ACCOUNTANT

Pleasant Location, Yorkshire Coast

Young Chartered Accountant, preferably with some industrial or commercial experience since qualifying, required to assist Financial Director (FCA) of long-established and successful engineering company in the maintenance and development of existing management information and accounts and internal control systems, including Credit Control of home and export business. Prospect of promotion are good. Preferred age 25/28. Salary commensurate with experience, but not less than £6,000. Write Box A.6706, Financial Times, 10, Cannon Street, EC4P 4BY.

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£1 million turnover group in Food Retailing and Manufacture, seek person to head up small Accounts team. Duties include preparation of financial and branch management accounts to strict time schedules. He/she will report to the Board. Salary will not be less than £6,500 and could be more for the right person.

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Financial Appointments Hillgate House, Old Bailey, London EC4M 7HS

YOUNG QUALIFIED ACCOUNTANT

required by Public Company well known in the ladies' fashion industry. The successful applicant will work in close co-operation with our Group Accountant and will be widely involved in the preparation of periodic financial accounts, management information and ad hoc assignments. Up to £6,000 p.a. will be paid. Please reply to:

Box A 6708, Financial Times,
10, Cannon Street, EC4P 4BY.

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For further details contact:
James Jarratt
01-248 4601

Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

● RESEARCH

Car engine valve timing project

RESEARCH work at SGRD, a research wing of CAV, the Lucas Industries company, shows that there is a prospect of being able to open and close the valves in a car engine with a combination of electromagnetics and electronics, giving timing control that need make no reference to engine speed.

Together with similar freedoms resulting from the use of electronic ignition, the development gives an idea of the kind of "*engine management*" that should be forthcoming within a few years, almost certainly with some kind of digital control and giving the ability to take account of both emission/pollution problems and the need for better use of fuel.

The Lucas device is called the Helenoid, essentially a special design of solenoid that can produce large forces over movements of about one millimetre, enabling camshafts, tappets, rods etc., to be dispensed with.

A twin-start helical winding of patented design produces an unusually short magnetic circuit of high flux so that, in one of the sizes, 337 lb (1,500 newtons) produces 0.04 in (1 mm) of movement in one millisecond — from overall device dimensions of only 1.38 x 2.17 ins (35 x 55 mm). Other combinations of force and movement are obtained by varying the dimensions. Lives in excess of 500 m operations have been obtained.

The device is expected to be a competitor with piezo-electric designs being pursued by some car makers in which relatively high voltages are needed and movement is limited.

At mid-range engine speeds the electrical to mechanical conversion efficiency of the Helenoid is about 25 per cent, but with mounting in the engine block the excess heat is easily removed by modification of the water cooling circuits already available. Average power consumption of the devices in a test carried out on *a Leyland sports car engine* was 400 watts per Helenoid at full engine speed. The provision of the few kilowatts needed would pose no problem for modern alternators.

Devices used in the test had an operating lift time of 4.5 ms, equivalent to normal cam rise speeds at 6000 rpm. They worked against a rocker arm, converting their one millimetre movement to 8 mm of travel, exerting at the end of the stroke a force of nearly 0.5 tonne to overcome valve spring, etc.

Lucas points out that it might be some years before such valve actuation appears in production engines: in the meantime it is proving a useful research tool, enabling designers to change valve timing and overlap at will—while the engine is running. The length of valve stroke can be preset for each test by simple adjustment of the Helenoid working stroke and the designer thus has complete flexibility to optimise the operation of engine valves for performance and emission.

GEOFFREY CHARLISH

● PACKAGING

Keeping the wraps on

SKIN PACKAGING is one of the latest packaging techniques and "blister" packs are the most recognisable results, of a range of equipment from Ridat Engineering Co., Fishponds Road, Wokingham, Berks.

Two machines, the 4030 Automatic and 3824 Automatic, are offered to manufacturers for packaging their own products—cosmetics, small hardware items, etc., are appearing on supermarket stands, yet the machines will also form facia and door panels for motor cars —from large sheets of plastic film, fed into the machine via side-loading tables and through exit tunnels.

Each production stage on both machines is preset on timers to give a completely automatic thermoforming cycle which ensures consistent product quality, says the maker.

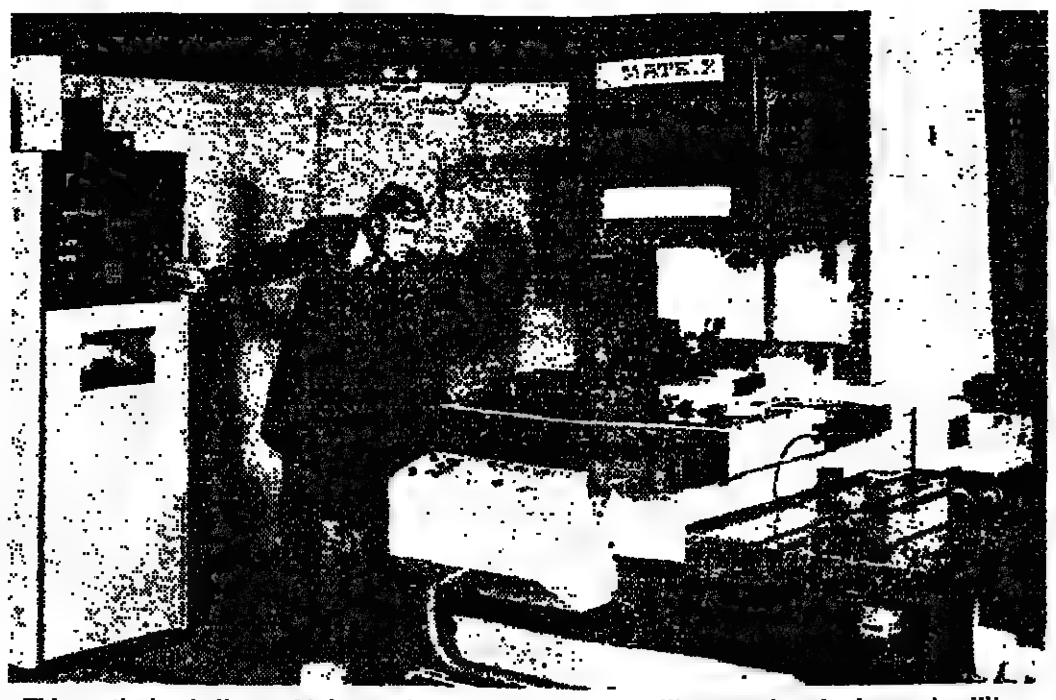
Machines also incorporate a corresponding range of manual controls for pretesting to establish settings for automatic operation. Manual controls can also be used for specials and small batch production.

British in make and design, the machines include as standard, integral guarding, pre-stretching of plastic sheet and zone controlled heating for 15 Simmerstats on the 4030 model and nine Simmerstats on the 3624.

Optional extras for moulding applications include plug assistance, water-cooled bolsters and cooling fans.

Valuable benefit of the blister packs for smaller consumer products, says the company, is that they are proving to reduce shoplifting activities in addition to maintaining product perfection.

● MACHINE TOOLS



This vertical spindle machining centre can be used for drilling, tapping, boring and milling.

New U.K. machine launched

THIS NEW British machining centre, designed for a world market growing at 10 per cent a year is being launched by T I. Matrix, Coventry. Although the company has been building this type of machine for eight years this is the first it has designed.

The Maxicentre V50 is a vertical CNC machine and the first of a range that will later include horizontal machines, mainly for repeatable small batch production. It has a machining capacity of 1,000 x 500 x 600 mm on the X, Y and Z axes respectively, a speed range of 50-4,000 rpm traverse rates on all three axes up to 10 m/min, and a constant 11.3 kW is transmitted down to 142 rpm. Below this a constant torque of 73 kg/m is maintained.

The spindle is driven through a clutchless gearbox providing 99 programmable speeds. When milling cast iron 200 cc per minute of metal can be removed. Customers have a choice of either the GE mark century 1050 MCL Control system from General Electric or Siemens Fanuc 5M, both of which are serviceable in world markets.

The Maxicentre can be supplied with a 30-tool automatic tool charger carried in a carousel which rotates in either direction. Tools can be randomly selected and the next tool indexed into the ready-to-change position while cutting goes on. This reduces tool changes to within five seconds, while typical chip-to-chip times are 8-10 seconds.

It is planned to build two to three machines a month and provide a delivery time of five months. Basic cost of the Maxicentre V50 is £71,000 rising to about £79,000.

PETER CARTWRIGHT

● SAFETY AND SECURITY

Small firefighting vehicle

HOLIDAY CAMP complexes, caravan sites, factories or more isolated work areas could all benefit from the security of having their near-at-hand fire-fighting vehicle, says BTB *Engineering, Davyfield Road,* Roman Road Industrial Estate, Blackburn BB1 2NB (0254-670141).

All fires start small, but their first few minutes' progress are vital in fire-fighting operations, and an on-the-spot answer is the Ant Auxiliary Fire Unit. This three-wheeler vehicle carries fire equipment comprising a 750-litre-capacity water tank plus pumping equipment powered by a 8-hp auxiliary engine that provides jetted or sprayed water at pressure from 800 psi to 1200 psi.

Although each unit can be tailored to meet specific requirements, standard build comprises 90 metres of armocore (steel-reinforced) hose with quick-fitting lance and pistol jetting equipment, full instrumentation, a rotating beacon, air horns and controlled discharge 5 kg BCF (bromochloro difluoromethane) and 4 kg dry powder extinguishers, including refill kits.

Basic chassis of the Ant comprises of a two-seat, glass-fibre cab, welded steel chassis, a four-cylinder petrol engine and *a four-speed gearbox. It is fully* equipped for road use with lighting, brakes, window wipers and washers, rear-view mirrors and a toughened windscreen.

Apart from its applications on home ground, it can also travel afield to provide temporary stand-by security on show-grounds and at exhibitions and stadiums.

Microwaves foil the intruder

JOINING A somewhat crowded market for intruder detection equipment based on microwaves is Beta Marketing, 10, Barley Mow Passage, Chiswick, London W4 4PH (01-994 6477).

This company's product, which is claimed to be cheaper and simpler to install than "any other comparable system available in the UK" is called Sentry Box. It consists of a microwave sensing head with electronics, and a separate alarm unit.

The radio energy of the beam can flood an area up to 5,000 cubic feet, a typical region measuring 25 x 20 x 10 feet high. The alarm is set off by the "slightest movement" of any intruder entering the protected volume. A combination of range adjustment and positioning produces the optimum results and the company says that setting up is usually within the abilities of any normal person reading the instruction manual.

A powerful blast horn operating at the threshold of pain leaves the intruder with no alternative but beat a hasty retreat. The unit is activated by a key but it will not operate for 30 seconds afterwards, allowing the key-holder time to leave.

● SOFTWARE

Easier access to data

OVER THE next several years thousands more managerial and research staff will be making a habit of consulting data bases, often with a certain amount of initial difficulty where the potential user knows nothing about computers.

Philips, at its Eindhoven laboratory, is seeking to find a way around the need to write a search program for which knowledge of a special computer language is required.

Research workers at Eindhoven have designed a system in which the questions no longer need to be coded but can be framed in natural language (in this case English). After a question has been keyboarded at a terminal, the computer reduces this question into a series of search instructions by means of which an answer is computed from the data base. The system is particularly important for people who only occasionally want to ask a non-stereotyped question. In most cases it is too much to ask them to learn a special computer language for this.

The experimental question-answering system is called PHLIQA. It can answer questions posed in normal English, typed in on a terminal with visual display. The computer analyses and processes the question and an answer is derived on the basis of data present in the data base.

The data base used for this investigation has factitious data on computers that are in use in Europe. The user can pose his question without special choice of words, sentence structure or knowledge of the structure of the data base.

Further work on PHLIQA includes extension of the grammar. At the same time, extension of its ability to create sentences beyond the present "yes," "no," a number, or a list of names and addresses, will be examined.

Only when complete English sentences can be formulated will great benefit be obtained from the system. It will then become possible to indicate to the uninitiated why a question cannot be answered or which interpretations the system assigns to questions that are capable of more than one interpretation.

● HANDLING

Wrapper for big loads

TIMPERLEY is offering a low turntable pallet stretch wrapper, the turntable surface being 80 mm or just under 3¼ ins off floor level so that loads can be placed on the turntable by hand or powered jacks.

The wrapper is free standing, can be easily moved from one location to another and of course does not require a pit. It is being manufactured in both manual and fully programmable versions with turntable capacities up to 2,500 kilograms when in motion and 6,000 kilograms when stationary. These capacities allow both load and powered jack to be placed on the turntable, a facility which will be required by some customers. Consequently the wrapper is normally supplied with a 1 in 25 gradient ramp which attaches to the turntable and can be located as standard in any one of three positions.

Versions of the low turntable wrapper will apply a conventional spiral, cross bias or full web wrap. Timperley's soft start turntable mechanism and precision electromagnetic film tension brake, providing for a top quality wrap, are both incorporated. The maximum height of wrap is 3 metres.

Timperley Engineering, Park Road, Timperley, Altrincham, Cheshire.

More comfort for driver

IMPROVEMENTS TO a reach truck range mean that drivers operating in narrow aisles are no longer in for a tight squeeze themselves—ergonomically designed drivers' compartments are a special feature—says Jungheinrich (GB), Southmoor Road, Wythenshawe, Manchester M23 9DU (061-998 7919).

Five models will be on display at the 3rd Storage Handling and Distribution Exhibition, Earls Court, April 23-27.

More spacious cabs and better layout of the controls means that the driver still remains within the outer contours of the truck throughout all the movements he is required to perform, thus reducing the risk of injury, says the company.

Furthermore, a new hydraulically cushioned seat which can be adjusted according to the driver's weight, provides additional driving comfort.

● ELECTRONICS

Universal weighing device

ELECTRONIC weight digitiser equipment to fulfill many operational needs has been introduced by W. and T. Avery.

Designed chiefly (but not solely) for Avery load-cell weighbridges, the CTB Mk. II is a fully electronic desktop unit engineered to give unambiguous digital read-out of weight to the official accuracies stipulated for stamping.

In standard form, it is available in six metric capacities from 40 to 60 tonnes, all providing weight indication to within one 6,000th part of full capacity. Other features include pushbutton zeroing to within 1/48,000th part of full load to compensate for spillage on the weigher.

Models with dual ton/tonne graduations can also be supplied, the display being switched between denominations by pushbutton.

Interfaces and accessories can be added to provide various print-outs, binary coded outputs for computer processing, remote displays, local or remotely set taring, preset cut-offs, axle-weighing, vibration suppression and intrinsic safety features.

The solid-state CTB, which incorporates compensation for both individual and group load-cell characteristics, is inherently stable and reliable with a rapid speed of response—adjustable to suit conditions—and a high resistance to electrically noisy environments. It indicates by a display on 25 mm high seven-segment numerals. The display system contains up to 6,000 weight increments. This means that on a 60,000 kg capacity unit, weights can be read to accuracies of plus or minus 10 kilos.

It also can be supplied in other forms such as rack-mounted, and can be used with other industrial weighers and other types of transducer.

W. and T. Avery, Smethwick, Warley, West Midlands. 021-558 1112.

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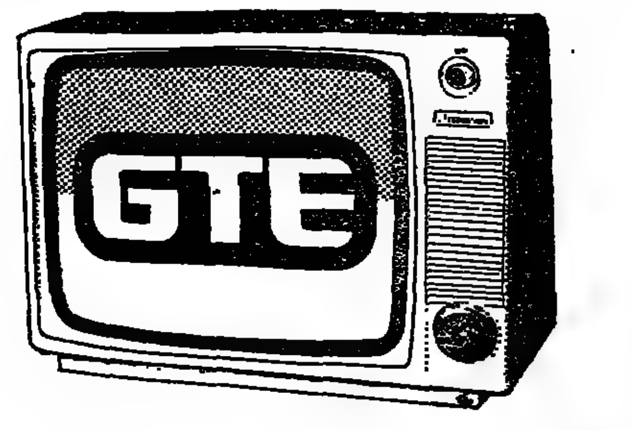
THE MANAGEMENT PAGE

EDITED BY CHRISTOPHER LORENZ

An American utility rings the changes in a quest for worldwide profits



BY JOHN LLOYD

Dr. Lee Davenport, vice-president and chief scientist of General Telephone and Electronics, likes to quote from evidence given by Sir William Priest, then chief engineer of the British Post Office to a special committee of the House of Commons in 1879. Asked by the committee for his views on the telephone —which at that time had been in limited use in the U.S. for some three years—Priest said:

"The absence of servants, of course, has compelled Americans to adopt communications systems for domestic purposes. Now, few have worked at the telephone much more than I have. I have one in my office—but more for show than for anything else. If I want to send a message I used my boy to take it to its destination."

The ironies in Sir William's remarks are not at all at the expense of the British Post Office. One hundred years on, Davenport and his colleagues at GTE—the largest independent (non-Bell) telecommunications company in the U.S., whose turnover of around $8bn ranks it 20th on the Fortune list of top industrial and utility corporations—is examining the Post Office's Prestel Viewdata system. Prestel is considerably in advance of the company's own developments in the field and GTE could market Prestel in the U.S. later this year.

The link is by no means certain. GTE is also looking at Antiope/Teletel, the equivalent system developed by the French telecommunications directorate and Télédiffusion de France, the state TV company.

Two further factors heighten Europe's current interest in the company. First, GTE is increasingly flexing its international muscles, and is looking for strong growth in Europe where it has a number of subsidiaries; second, it underwent sweeping structural changes three years ago in response to what was felt to be relatively poor performance, especially overseas, and it is now reasonable to assess the success of these changes.

GTE has always suffered when compared with American Telephone and Telegraph, better known as Bell, the world's largest utility company and the provider of telecommunication services for most Americans. "We've gotten used to thinking of ourselves as small," says Dr. Lee Davenport, vice president and chief scientist, "because we run such a poor second to Bell. But on any other count, we're big."

It is. The company's telecommunications, lighting, TV and other operations have 92 manufacturing plants and 31 laboratories in the U.S., 52 plants overseas including 19 in Canada, five in West Germany mainly concerned with the successful SABA TV set and audio range; three good-sized telecommunications factories in Italy, two small plants in the UK making lamps, TV tube manufacturing facilities in Belgium and TV component plants in France and Spain.

The company also owns 21 telephone operating companies which supply telecommunications needs to large, mainly rural areas of the U.S. It operates around eight per cent of total U.S. telephones—a percentage which, in 1977, represented 13.6m phones, a few thousand less than were operated by the Post Office in that year.

GTE's TV interests make it the third largest TV set manufacturer in the U.S.—after Zenith and RCA—"and still ahead of the Japanese," says George Konkol, president of the consumer electronics group.

The hybrid nature of the company is part design, part accident. Historically an agglomeration of operating companies, it diversified into manufacturing after the last war in order to boost profits. It acquired Automatic Electric, which stands in the same relation to the company as Western Electric does to Bell, providing the bulk of its telephone operating companies' equipment needs (though Automatic sells widely to other customers (including Bell itself). Sylvania (the name has now been largely dropped) was acquired in 1959 to give the company strength in lighting and consumer electronics: the company then changed its name from General Telephone to General Telephone and Electronics.

A frequently noted irony in the company's operations is that its old fashioned telephone operations paid better than its new-fangled manufacturing ones. Over the five years from 1973-1977, revenue from telephone operating companies rose a steady 13.1 per cent on average, with profits rising roughly in line at 13.5 per cent. Communications products, by contrast, had half the growth in revenue—7.7 per cent—while net profit over the five years declined by 12.3 per cent on average.

However, there was something of an upturn—from $32.4m in 1976 to $39.7m in 1977—and the company was gratified to see the trend strongly confirmed this year with net profit up to just under $48m.

That sharp upward movement was gratifying to Robert Gressens, who was made president of the communications products group in 1976 to arrest the fall in profits. Like the other products groups formed in that year—consumer electronics, lighting and electrical equipment and precision metals—Gressens' group, the largest, was organised internationally, sweeping away the previously separate international department, which had handled the bulk of GTE's overseas interests, contributing far less proportionally to group profits than to sales.

Gressens thus covers both the U.S.—his major market—and the rest of the world. Internationally, he has two major concerns at present—one a worry, the other a hope. The first of these is GTE's $500m contract to supply 680,000 lines for the Telecommunications Company of Iran.

GTE was some two years down the road on the contract when the Islamic revolution swept over the country: it pulled out the 400 Americans associated with the project last month. About 40 per cent of the equipment had by then been delivered under letters of credit: the company now has to wait, like all other suppliers, to learn the new regime's priorities.

The company's great hope is in Egypt, where it is part of a consortium with Western Electric and with Continental Telephone, another major independent, for the largest deal yet in the booming world telecommunications market—the extension of the Egyptian telecommunications system.

Ambitious

The contract is estimated to be worth around $2bn over the next five years—with a probable extension to 20 years in all—worth billions more. Last year, it seemed as though GTE and its partners were about to get it. That they have not yet done so is currently a matter for some recrimination against the U.S. Government which was to finance the deal.

The ambitious proposal, first set out in a major study in Continental, requires equally ambitious funding. Egypt cannot afford to pay for more than a fraction of the cost from its own funds. Clearly concessionary government funding is required, and the initial plan seems to have been that the bulk of these funds came from Saudi Arabia and the U.S. But the figures were so large that the U.S. pulled back: so, then, did the Saudis.

It was then—some six months ago—that other major telecommunications companies dropped their pose of languid despair and leapt into the widening rift. The Japanese rapidly put together a consortium, headed by Nippon Electric and Hitachi; the U.S. multinational ITT, followed by Ericsson of Sweden, Philips of Holland, and the two French companies CIT Alcatel and Thomson CSF all put out preliminary feelers, letting it be known that if international tenders were called for, they would be bidding. Both the French and the Japanese, at least, could count on full financial backing from their governments.

The possibility of losing such business in a strategically critical area has evidently made the U.S. Government re-think. "We have been trying to make the Government see that there is a problem when you're competing with companies backed by government loans. I believe our Government now thinks that funding is necessary."

While this concern for world markets is not new to GTE—as it is to Bell, whose Western Electric made its massive international debut only three years ago—it shares Bell's reasons for finding large foreign sales. Gressens estimates that the growth of telecommunications traffic in the U.S. is now down to between 5 and 7 per cent, compared with 8 to 10 per cent in Western Europe, and much more in some developing countries.

Every developing region—the Middle and Far East, Latin America and Africa—is seen as a market opportunity. So is Europe: "It is a difficult market for us to address: but we hope that in the future, equipment will be sold between states more freely and we would be able to serve the whole European market."

For all its slower growth, the U.S. remains the prime market place. "We don't see saturation here," says Gressens. "There will be growth, not so much in more phones, but in new services. The electronic transfer of funds is one example."

The selling climate has changed in the U.S. telecommunications market over the past 10 years. Since the crucial Carterphone decision of 1968, which allowed the "interconnection" of a variety of equipment to the network of Bell — and of other operating companies and even more since 1976, when the Federal Communications Commission abolished the provision that such equipment had to have protective devices fitted on it, the market for private branch exchanges (PBXs), key telephone systems, extension phones and data terminals has both expanded and seen the entry of a host of competitors, many from abroad.

The company is ambiguous about the new set up. On the one hand, it regrets the loss of its service role — as does Bell — to companies who erupt into the market, sell equipment and lack the facilities to maintain it. But it has adapted: last October, Gressens created a division within his group to hit the burgeoning private systems market.

At the same time, the company has opened business sales centres as a commercial complement of their domestically-oriented "phone marts," where phones for the home can be bought off the shelf. The creation of the centres is an indication of how far the business market has moved: now it, too, can be approached on a supermarket, "just-like-selling-soap" basis.

The company appears pleased with the new division, but five months on is too early to tell how successful it is. It has one large problem with which it must work: telecommunications systems are increasingly computerised, and the computer used within the telecommunications system can easily be programmed to other, not-strictly-telephone-related tasks. Under FCC rules, however, GTE, as a telecomms company, cannot market equipment which falls into the "data processing" area.

Assistance may be at hand: the FCC is presently conducting a lengthy inquiry—Computer Enquiry II—into the increasing convergence between telecoms and computers, and it is hoped that the outcome will be to modify its regulatory barriers.

The corporation has had a mixed history in introducing new technologies: it is, for instance, among leading companies, comparatively late into digital switching—its first EAX (electronic automatic exchange) went operational in the U.S. in the middle of last year. However, it was first with the Mickey Mouse phone, early in developing a range of advanced small PBXs and is in the vanguard of the optical fibre innovations.

Optical fibres — which carry telecommunication signals in pulses of light through hair-thin strands of glass — are the technology which, GTE's Davenport believes, will replace copper wires. Depending on advances in terminal equipment, he reckons fibres will be able to carry several thousand voice channels, replacing cabling several inches thick. "Extra space is going to be needed," says Davenport. "At our rate of growth, we'd be running out of it in a few years if we stayed with cables." GTE has installed optical fibre cables in Fort Wayne, Indiana, in Canada, and is now doing so in Brussels: Davenport reckons that it will prove to be more popular than the alternatives of microwave or satellite transmission.

Encouraging

In the telephone business, then, GTE looks better placed than it was, the FCC and the Ayatollah Khomeini willing. In the lighting and electrical equipment division, results have been unsteady in recent years—a growth in net profits of half a per cent over the five years, 1973-77 is not success; the group has also perked up in 1978, showing a profit growth of 29 per cent, and the company believes the encouraging trend will continue. Precision metals continue to look healthy, with steady growth after a bad year in 1975.

It has been the consumer electronics side where most concern has been directed: the group showed losses from 1973-1977 of better than $40m. In the past year, however, the upward trend apparent since 1976 was confirmed with a net profit of over $18m. Better sales worldwide, coupled with the fall in the dollar were, said Chairman Brophy, the major contributory factor. But, he noted, "the group continues to experience the effects of intense competition in the domestic TV set market."

Competition from the Japanese, however, has moved into the U.S. itself: Sanyo, Sony and Matsushita have all established plants. Konkol believes the U.S. makers have now caught up on quality: but to cut costs, the industry has had to move sub-assembly to low-cost labour countries, and will continue to do so.

Konkol reckons that 1979 will see 9.4m sets sold in the U.S., and thinks that "normalcy" is between 9m and 10m. "It's a second set and replacement market now," he says.

His major activity overseas is the SABA subsidiary in West Germany, which manufactures colour and monochrome TVs and audio products, takes around 10 per cent of the German colour TV market and is strong in Italy, too. He believes that the European set makers have benefited from the U.S. experience. "I don't think they'll make the same mistakes we made. The Japanese have been contained to the small screen market very largely—they have about 50 per cent of the 14 inch and 16 inch black and white market in Germany—but their overall share has been stable at 10 per cent for three years. Transportation costs for large sets tend to be prohibitive."

The company has already begun research on the "flat screen" TV, and last year signed a three-year contract with Lucitron, a Chicago-based research company, to assist it to develop a marketable set.

At present, much of GTE's corporate concern is focussed on the acquisition of Telenet, a company which operates a rapidly growing "packet-switched" network in the U.S. Packet-switching is a technique which allows computers in different locations to "talk" to each other: their data is converted into tiny blocks, or packets, and routed through a network of switching centres to their destination. Telenet grossed $8.9m last year: the deal is worth around $60m, and FCC approval is awaited.

The FCC, and the Administration in general, causes the company some concern. The Communications Act, which provides the legal base for both operating companies and for the production and marketing of communications products, is presently being re-drafted. GTE — like all communication companies — fears that the spirit of de-regulation and unrestricted competition may have gone too far. Like Bell, it has prospered under regulation: and like Bell, too, it believes the public is better served thereby. But it also believes it is in better shape to cope with whatever changes may arise.

LOMBARD

The chairmen step out

BY COLIN JONES

ABOUT a month ago the Commons select committee on nationalised industries met to hear evidence from a group of men who could by no means be said to be unfamiliar to them. The men were the chairmen of some of the major state industries. They were however appearing on behalf, not of their own individual industries, but a body never previously represented before the committee—the Nationalised Industries Chairmen's Group.

This is not the only "first" the group is chalking up. Later this month Mr. Michael Posner is to give the group's first annual lecture—on the subject of "Public Enterprise in the Market Place." His paper is to be published as the first in what the group has planned as a new series of occasional research studies on one or other aspect of their industries' activities.

Low profile

If you think this flurry of public activity marks a new departure for the group, you are right. If you have never heard of the group before, you could also be right. For, until recently, it has been anxious to maintain a very low—if not invisible—public profile.

The group's origins can be traced back to the mid-60s when some of the then chairmen began to meet informally over lunch about once a month to discuss their common problems. The irreverent liked to call these gatherings "Alf Robens's drinking club," but gradually they took root. They met an evident need. The group came to be regarded as a useful sounding board by ministers and officials. And, as the issues and the pressures multiplied, so it was felt—by some chairmen at least—that they ought to get themselves better organised.

In the early 70s, when the Rothschild Think Tank began a study of the nationalised industries, the chairmen recruited a part-time director general, seconded from the Steel Corporation. Instead of having a chairman for each lunch ("to order the menu and pay the bill"), one of their number was put in the chair for six months and then a year at a time. In 1975 the heads of the smaller state industries were brought in, bringing the group's membership to its present strength of just over a score.

As the workload rose, so a more formal structure evolved. The present, past, and chairman elect became an advisory committee, working with the director general. Other members took the lead on particular ad hoc issues, like pay and labour matters, finance, board salaries, and pension fund issues. Links were formed with the "clubs" of state industry board secretaries, lawyers, demand forecasters, and pension officers. Regular Ministerial-NICC liaison meetings were instituted. Close links were formed with CBI leaders.

One might see in the group's evolution the emergence of a countervailing power, representing the managerial or commercial interest vis-a-vis the governmental or political in what is, after all, an important part of the productive sector of the economy. There has never been any clear definition of what the state industries' role and objectives ought to be. Issues can be thrashed out bilaterally between each board and its sponsoring department. But individually the boards might be picked off. Issues could go by default. There was a need for a continuing dialogue between the Government as a whole and the industries as a whole on a wide range of matters (from worker democracy and inflation accounting to financial targets and specific directions).

Reactive

Hitherto, the group's activities have been entirely reactive. The chairmen preferred to work in private so as to avoid any suggestion of a public confrontation with government. They are now inching towards a more positive role, at least to the extent of trying to influence opinion formers and, thereby, the wider public view of what their industries are up to.

Is there a danger of the group becoming institutionalised? Probably not. Its secretariat remains tiny — and part-time. Its members are extremely busy individualists. Their boards face different circumstances. The outsider can easily overstate the measure of common ground. The move towards a higher public profile does not have unanimous support. The group's development so far has been an interesting example of how new institutions emerge because they meet a need. How it now develops will also be interesting to see.

When logic alone is not enough

FILM AND VIDEO

BY JOHN CHITTOCK

WITH SOCIETY so obsessed with problems arising from bad communication, it is extraordinary that good communication is still practised by so few. The audio-visual media have been grabbed by industry and government as some kind of panacea for communication ills: pour enough of the medicine down the patient's throat and the heart will start beating again. However more often it is misdirected and goes down the trachea, causing instant suffocation.

Few experts in communication seem to disagree that words can be more precise than pictures, and it is a fact that the deaf or the dumb can function less well in society than the blind. A photograph in a newspaper without a caption can at worst be quite meaningless. Yet film and other audio-visual media can be more powerful tools of communication than words alone if properly used. The trouble is—and this is at the root of all poor communication — few people take sufficient time, care and skill in using the media. Words come naturally (deceptively so); there is an assumption it is the same with pictures, especially since they are so easy to record with modern technology.

The power of film, however, lies not only in its ability to show but in its power to direct the mind of the viewer down a narrow and guided path. Rarely is it used in this logical, almost unrelenting way, yet this is the consummate power of the medium as discovered by its earliest grammarians. The Russian director of the 1920's V. I. Pudovkin believed, like his famous colleague, Sergei Eisenstein, that each shot in a film should carry the mind of the viewer forward to a specific end; and that the relationship between each successive shot was the catalyst in imprinting messages and ideas in the audience.

Thus Pudovkin conducted his famous experiment in which one expressionless shot of the actor Mosjukhin was cut into three sequences—one with a shot of a plate of soup, another a coffin containing a dead woman, a third a little girl playing with a toy. When screened to an audience, "it raved about the acting of the artist."

It all requires great effort, discipline and preparation to structure a film properly. In using the medium to simplify information (which was the declared aim of the documentary pioneer, John Grierson) painstaking care is required. This maxim pertains no less to the use of the printed word, which is deceptively easy to employ, since we all assume that we are trained in the use of words. Yet bad communication with words is probably more due to carelessness and lack of discipline than to absence of skill.

The classic example of this occurred in an encyclopedia of photography where one of the major articles (on developing) passed through the hands of sundry experts. It took the more remotely involved publisher to spot — happily with good humour — that "nowhere does it say you do it in the dark."

In communicating information, we make too many assumptions about the recipients. Dr. Belson describes how in a BBC experiment *500 Londoners* (a cross-section of its population) were tested for their knowledge of the meaning of 100 words. The results should alarm every manager who uses words to communicate: only 1 per cent correctly defined "empirical," 4 per cent "autonomous," and 40 per cent "vulnerable." What hopes if a manager said that "amicable" (59 per cent) agreement with the unions over redundancies will be based on "chronological" (13 per cent) service over the past "decade" (17 per cent)? Admittedly the research was carried out many years ago, but would the results be better now?

Properly used, film or television can reduce the risk of misunderstanding or ambiguity. Even when visuals are not self-evident, within the structure of the whole film, their relevance will emerge. The big black headline I recently saw in a newspaper, "Queens Baby Frozen to Death," would be less of a shock in the context of a film where other scenes revealed (a) that I saw it in New York, (b) that there is a district called Queens. It gave me a jump nevertheless.

At this level, film is not only communicating information by the juxtaposition of pictures; it is also employing its great emotional power of suggestibility. What a potent medium for governments (hence Lenin's "for us, film is the greatest art") and for industry if it cares to use it constructively.

In practice, the medium is too often used carelessly and without a structure that will channel the mind to very specific and relevant ends. Audience research carried out at the BBC many years ago by Dr. William Belson established that comprehensibility of a current affairs programme failed not only because it made wrong assumptions about the background level of the audience, but also because it was deficient in logical structure and did not highlight main points.

In a film—where the relevance of pictures is dependent on the structure and maybe also the highlighting of a commentary—such failings can be at best a waste of the medium and at worst a disaster. A common example is the film which makes poor or ineffective use of visuals, relying on the commentary to do the work.

Such a weakness is apparent in Shell UK's new series of five short films under the title of *Motorcycle Training*. "When starting your machine first turn on the petrol, close the choke and switch on the ignition"—all over one single shot of the instructor getting on the motorcycle. Pudovkin would have wanted separate close-ups of each action, instinctively to satisfy Belson's point of the need for highlighting and structure.

In another current example, Redland make more effective use of the medium in *Fibaflo*, a film about the company's glass reinforced plastic drainage pipes. Here the pictures unfold in an almost additive-synthesis, coming in close when the viewer almost unconsciously expects a closer look, and integrating carefully with the words of the commentary. The result is satisfying because the viewer has been guided down a logical path which rarely disappoints through a halt in the progression or a missing visual where it is expected.

The psychiatrist Dr. J. A. C. Brown, in his book *The Techniques of Persuasion*, infers that there are links between communication, suggestibility and authority. Research has shown that suggestibility is highest in young people, notably when the skills of communication are being acquired; and that it derives its emotional force from submission to parental authority.

If this is true, perhaps a new generation which is reacting against parental authority will associate overt communication with the same beast, and reject it. The lessons for sponsors and producers of audio-visual media are clear: do not overestimate the audience, lead them logically and with care, but never underestimate them with patronising or parental attitudes. If a captive audience cannot escape from an unacceptable film, it can only react against it — like the submissive child who next day throws stones through windows.

Intriguing finale for Fontwell

RACING

BY DOMINIC WIGAN

FOR MANY racegoers at Fontwell today, the most intriguing race on the programme will be finale, the Mad Hatters Private Sweepstakes, a two-mile, one furlong event for four-year-olds and upwards which have not won a race under the recognised rules of Flat racing, chasing or hurdle racing in any country.

Lucinda Prior-Palmer—arguably the world's finest horsewoman to have been produced in the three-day eventing theatre—takes on such accomplished riders as Josh Gifford's wife, Althea.

Victory in this event, confined to invited riders, is likely to go to Mrs. Gifford on her husband's Norfolk Arrow, a four-year-old deprived of a tilt at the Daily Express Triumph Hurdle after treading on a nail two days before the race.

The brown Blakeney colt, once thought capable by many of taking high rank among the first season hurdlers, has proved one of Gifford's few major disappointments in his three subsequent outings.

However, the ability is still there and I am reasonably hopeful that this return to a race on the Flat and the sympathetic handling of his polished rider will see Norfolk Arrow proving his class.

A second likely winner for Gifford is the five-year-old, Sweet Kybo, who has not met with the best of luck this season. But he has made the frame on each of his four appearances and a modest 10st 13 lb should see him coming out on top in the Madehurst Handicap.

If Sweet Kybo is again to be relegated to one of the minor placings in the Madehurst, I expect the Welsh Rake gelding, Jack Jiggs, to be chiefly responsible. A winner three times already here this season, Jack Jiggs now confines his best efforts almost exclusively to this course and Folkestone.

With most of the North still under a blanket of snow, a number of trainers are losing hope of fielding their intended runners at Doncaster this week. One man understandably more disturbed than most is Bill Elsey, who has been trying to prepare the Lincoln top weight, Don.

Lester Piggott has yet to confirm his acceptance of the ride and it is not surprising to find William Hill, the sponsors, offering 16-1 against the Malton miler giving Piggott his first victory in a race in which he has so often been pipped on heavily backed ante-post favourites.

Better Blessed remains 8-1 with Hill, who go 12-1 Fair Season and 14-1 Claudio Nicolai.

FONTWELL
1.45—Fury Boy**
2.15—King Jamie
2.45—Jack Anthony
3.15—Sweet Kybo*
3.45—Colonel Christy
4.15—Sandwilan
4.45—Norfolk Arrow***

TV/Radio

† Indicates programme in black and white.

BBC 1

6.40-7.55 am Open University (Ultra high frequency only). 9.10 For Schools, Colleges. 12.45 pm News. 1.00 Pebble Mill. 1.45 Playboard. 2.00 You and Me. 2.14 For Schools, Colleges. 3.20 Pobol Y Cwm. 3.53 Regional News for England (except London). 3.55 Play School. 4.20 Winsome Witch. 4.25 Jackanory. 4.40 Star Turn. 5.00 John Craven's Newsround. 5.10 Stopwatch.
5.40 News.
5.55 Nationwide (London and South-East only).
6.20 Nationwide.
6.50 The Osmonds (London and South-East only).
7.20 Blake's Seven.
8.10 Dallas.
9.00 News.
9.25 "She Fell Among Thieves," by Dornford Yates.
10.45 Tonight.
11.25 Worlds Without Sun.
11.50 Weather/Regional News.

All Regions as BBC-1 except at the following times:—

Scotland—5.55-6.20 pm Reporting Scotland. 6.50-7.10 Sing Along With Sunshine. 10.45 Tuesday Night. 11.20 Worlds Without Sun. 11.45 News and Weather for Scotland.

Wales—10.00-10.20 am I Ysgolion. 5.55-6.20 pm Wales Today. 6.50 Heddiw. 7.10 Pobol Y Cwm. 7.40-8.10 A Question of Sport. 11.50 News and Weather for Wales.

Northern Ireland—3.53-3.55 pm Northern Ireland News. 5.55-6.20 Scene Around Six. 6.50-7.20 Minorities. 11.50 News and Weather for Northern Ireland.

England—5.55-6.20 pm Look East (Norwich); Look North (Leeds, Manchester, Newcastle); Midlands Today (Birmingham); Points West (Bristol); South Today (Southampton); Spotlight South West (Plymouth). 6.50-7.20 East (Norwich) The East Anglians; Midlands (Birmingham) Major Minor; North (Leeds) The Pilgrim Carvers; North East (Newcastle) Tuesday North; North West (Manchester) Berni and Stu; South (Southampton) The Getaways; South West (Plymouth) Peninsula; West (Bristol) Gold On Ice.

BBC 2

6.40-7.55 am Open University.
11.00 Play School.
2.30 pm The Business World.
3.00 Behind The Scenes.
3.30 Signs Of Trouble.
4.00 Conversazioni.
4.50 Open University.
6.55 Schubert 1797-1828.
7.25 Animated Conversations.
7.30 Mid-evening News.
7.40 The Master Game.
8.10 Life On Earth.
9.05 Call My Bluff.
9.35 Man Alive.
10.25 The National Circus Of Pyongyang.
11.15 Late News.
11.30 The Old Grey Whistle Test.

LONDON

9.30 am Schools Programmes. 12.00 Issi Noho. 12.10 pm Daisy, Daisy. 12.30 The Cedar Tree. 1.00 News, plus FT Index. 1.20 Thames News. 1.30 Crown Court. 2.00 After Noon Plus. 2.25 Tuesday Matinee: "The Firechasers." 4.20 Pop Gospel. 4.45 Magpie. 5.15 Emmerdale Farm.
5.45 News.
6.00 Thames At 6.
6.25 Help!
6.35 Crossroads.
7.00 Give Us A Clue.
7.30 Charlie's Angels.
8.30 How's Your Father?
9.00 ITV Playhouse.
10.00 News.
10.30 Inside Europe.
11.30 For Better, For Worse.
12.00 Elaine The Singer Of The Song.
12.25 am Close: Leo Aylen reads one of his own poems.

All IBA Regions as London except at the following times:—

ANGLIA

1.25 pm Anglia News. 2.00 Houseparty. 2.25 This Year, Next Year. 3.20 Out of Town. 3.50 The Electric Theatre Show. 6.00 About Anglia. 7.00 Survival. 12.00 Police Surgeon. 12.30 am Christians in Action.

ATV

1.20 pm ATV Newsdesk. 2.25 The Tuesday Movie: "The Bobo" starring Peter Sellers. 5.15 Mr. and Mrs. 6.00 ATV Today. 7.00 Emmerdale Farm. 7.30 Miss ATV of 1979 (Grand Final). 11.30 Snooker: State Express Grand Masters Challenge. 12.15 am Something Different.

BORDER

†1.20 pm Border News. 2.00 Houseparty. 2.25 This Year, Next Year. 3.20 Bygones. 3.50 Untamed World. 5.15 Out of Town. 6.00 Lookaround Tuesday. 7.00 Emmerdale Farm. †12.00 Border News Summary.

CHANNEL

1.18 pm Channel Lunchtime News and What's On Where. 2.25 This Year, Next Year. 3.20 The Practice. 3.50 You're Only Young Twice. 5.15 Mr. and Mrs. 6.00 Report at Six. 7.00 Treasure Hunt. 12.00 Police Surgeon. 12.25 am Commentaires et Previsions Meteorologiques.

GRAMPIAN

9.25 am First Thing. 1.20 pm Grampian News Headlines. 2.00 Regions Report. 12.25 Tuesday Matinee: "Wincom's Way" starring Peter Finch. 5.15 Mr. and Mrs. 6.00 Grampian Today. 6.05 Country Focus. 12.00 Reflections. 12.05 am Bryan Taylor—The First Time. 12.30 Grampian Late Night Headlines.

GRANADA

1.20 pm Dodo. 2.25 This Year, Next Year. 3.20 Out of Town. 3.50 You're Only Young Twice. 5.10 Max The 2,000 Year-Old Mouse. 5.15 Crossroads. 6.00 Granada Reports. 6.30 Emmerdale Farm. 7.00 University Challenge. 12.00 George Hamilton IV.

HTV

1.20 pm Report West Headlines. 1.25 Report Wales Headlines. 2.00 The Regions Report. 2.30 The Tuesday Matinee: "Once You Kiss A Stranger." 5.15 Melotoons. 5.20 Crossroads. 6.00 Report West. 6.15 Report Wales. 6.30 Survival. 7.00 Mr. and Mrs.

HTV Cymru/Wales—As HTV General Service except: 1.20-1.25 pm Penawdau Newyddion y Dydd. 4.20-4.45 Goglis. 6.00-6.15 Y Dydd. 10.30 Bywyd. 11.15 World in Action. 11.45-12.15 am Mind Your Language.

HTV West—As HTV General Service except: 1.20-1.30 pm Report West Headlines. 6.15-6.30 Report West.

SCOTTISH

1.25 pm News and road and weather. 2.25 Fireside Theatre. 3.20 Regions Report. 3.50 Out of Town. 5.15 Felix the Cat. 5.20 Crossroads. 6.00 Scotland Today. 6.30 What's Your Problem? 7.00 Emmerdale Farm. 8.30 Thingummyjig. 11.30 Afloat. 12.00 Late Call.

SOUTHERN

1.20 pm Southern News. 2.00 Houseparty. 2.25 This Year, Next Year. 3.20 The Family. 5.15 Sinbad Junior. 5.20 Crossroads. 6.00 Day by Day. 7.00 Emmerdale Farm. 11.30 Southern News Extra. 11.40 For Better, For Worse.

TYNE TEES

9.25 am The Good Word followed by North East News Headlines. 1.20 pm North East News and Lookaround. 2.25 This Year, Next Year. 3.20 Untamed Frontier. 3.50 Bailey's Bird. 5.15 Mork and Mindy. 6.00 Northern Life. 7.00 Emmerdale Farm. 11.45 Epilogue.

ULSTER

1.20 pm Lunchtime. 2.00 Regions Report. 2.30 Tuesday Matinee: "Girl in the Red Velvet Swing" starring Ray Milland and Joan Collins. 4.18 Ulster News Headlines. 5.15 Cartoon Time. 5.20 Crossroads. 6.00 Good Evening Ulster. 7.00 Emmerdale Farm. 11.30 Bedtime.

WESTWARD

12.27 pm Gus Honeybun's Birthdays. 1.20 Westward News Headlines. 2.25 This Year, Next Year. 3.20 The Practice. 3.50 You're Only Young Twice. 5.15 Mr. and Mrs. 6.00 Westward Diary. 7.00 Treasure Hunt. 10.28 Westward Late News. 12.00 Police Surgeon. 12.25 am Faith for Life. 12.30 West Country weather, shipping forecast.

YORKSHIRE

1.20 pm Calendar News. 2.25 This Year, Next Year. 3.20 Calendar Tuesday. 3.50 The Entertainers. 5.15 Doctor On The Go. 6.00 Calendar (Emley Moor and Belmont editions). 7.00 Emmerdale Farm.

Radio Wavelengths

1	1053kHz/285m, 1089kHz/275m
2	693kHz/433m, 909kHz/330m & 88-91vhf stereo
3	1215kHz/247m & 90-92.5vhf stereo
4	200kHz/1500m & 92-95vhf
BBC Radio London:	1458kHz, 206m & 94.9vhf
Capital Radio:	1548kHz, 194m & 95.8vhf
London Broadcasting:	1151kHz, 261m & 97.3vhf

RADIO 1

(S) Stereophonic broadcast
‡Medium Wave

5.00 am As Radio 2. 6.00 Dave Lee Travis. 9.00 Simon Bates. 11.31 Paul Burnett. 2.00 pm Tony Blackburn. 4.31 Kid Jensen. 7.00 Personal Call. 8.00 Andy Peebles. 9.50 Newsbeat. 10.00 John Peel (S). 12.00-5.00 am: As Radio 2.

RADIO 2

5.00 am News Summary. 5.02 Tony Brandon (S). 7.32 Terry Wogan including 8.27 Racing Bulletin and 8.45 Pause for Thought (S). 10.03 Jimmy Young (S). 12.15 pm Waggoners' Walk. 12.30 Pete Murray's Open House (S). 2.30 David Hamilton (S). 4.30 Waggoners' Walk. 4.45 Sports Desk. 4.47 John Dunn (S). 6.45 Sports Desk. 7.02 On The Third Beat (S). 7.30 Folk 79 (S). 8.02 Tuesday Night Is Gala Night (S). 9.02 Ian Wallace presents Those Musical Years (S). 9.55 Sports Desk. 10.02 Variety Club starring Roy Castle and Arthur Askey. 11.02 Harry Rowell with Round Midnight, including 12.00 News. 2.02-5.00 am You and the Night and the Music with Ruth Cubbin (S).

RADIO 3

‡6.55 am Weather. 7.00 News. 7.05 Overture (S). 8.00 News. 8.05 Morning Concert (S). 9.00 News. 9.05 This Week's Composer: Vaughan Williams (S). 9.45 Young Musicians Recital (S). 11.10 Monteverdi (S). 11.45 BBC Welsh Symphony Orchestra (S). 1.00 pm News. 1.05 The Arts Worldwide. 1.20 John Williams guitar recital (S). 2.00 Music at St. George's, Bristol (S). 3.00 Quintet of Winds (S). 4.00 Bach and Schumann (S). 4.55 Jazz Today (S). 5.25 Homeward Bound (S). ‡5.45 News. ‡5.50 Homeward Bound. ‡6.15 At Home: An Opera in Brief: Puccini's "Turandot." 7.15 Mind, Matter and Mechanism. 8.00 Music from the New World: concert, part 1 (S). 8.40 Spillville (talk by Anthony King). 8.55 Concert, part 2 (S). 9.40 Suspicions of Poetry (talk by Donald Hall). 10.10 Building a Library of records (S). 11.40 Haydn's Baryton Trios (S). 11.55-12.00 News.

VHF only—6.00-7.00 am and 5.45-7.10 pm Open University.

RADIO 4

6.00 am News Briefing. 6.10 Farming Today. 6.25 Shipping forecast. 6.30 Today: magazine, including 6.45 Prayer for the Day, 7.00, 8.00 Today's News, 7.30, 8.30 News headlines. 7.45 Thought for the Day. 8.35 Yesterday in Parliament. 9.00 News. 9.05 Tuesday Call. 10.00 News. 10.05 Local Time. 10.30 Daily Service. 10.45 Morning Story. 11.00 Thirty-Minute Theatre. 11.30 Redeeming The Times? 11.45 Listen with Mother. 12.00 News. 12.02 pm You and Yours. 12.20 Desert Island Discs. 12.55 Weather; programme news. 1.00 The World at One. 1.40 The Archers. 1.55 Shipping forecast. 2.00 News. 2.02 Woman's Hour. 3.00 News. 3.05 Plays on 4. 3.10 Questions to the Prime Minister. 3.35 The Tenant of Wildfell Hall (S). 4.30 Announcements. 4.35 Story Time. 5.00 PM: News magazine. 5.50 Shipping forecast. 5.55 Weather; programme news. 6.00 News. 6.30 Just a Minute (S). 7.00 News. 7.05 The Archers. 7.20 File on 4. 8.00 A Long, Lonely River. 8.45 Natural High. 9.30 Kaleidoscope. 9.59 Weather. 10.00 The World Tonight. 10.30 The News Quiz (S). 11.00 A Book At Bedtime. 11.15 The Financial World Tonight. 11.30 Today in Parliament. 12.00 News.

BBC Radio London

5.00 am As Radio 2. 6.30 Rush Hour. 9.00 London Live. 12.03 pm Call In. 2.03 206 Showcase. 4.03 Home Run. 6.10 Look, Stop, Listen. 7.30 Black Londoners. 8.30 All That Jazz. 10.03 Late Night London. 12.00 As Radio 2. 12.05 am Question Time. From 1.05 Joins Radio 2.

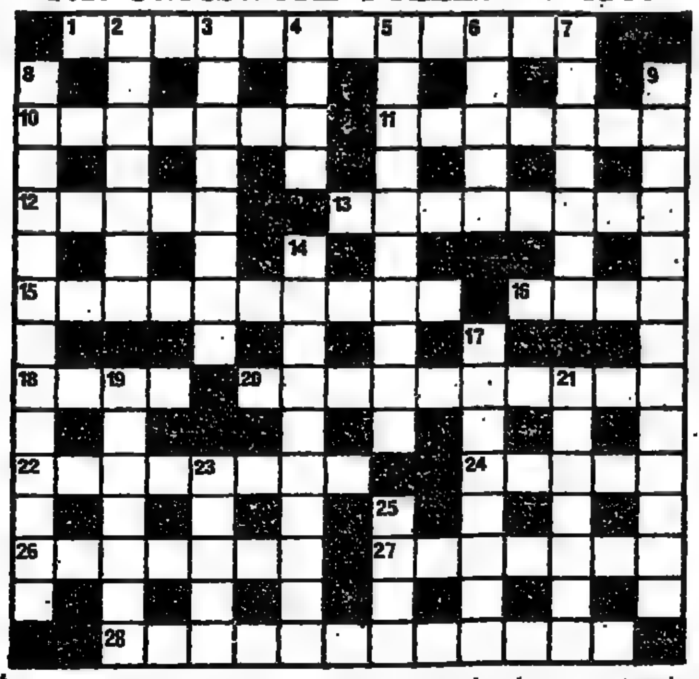
London Broadcasting

5.00 am Morning Music. 6.00 The AM Show. 10.00 Brian Hayes. 1.00-8.00 pm LBC Reports with George Gale at 3 pm. 8.00 After Eight. 9.00 Nightline. 1.00 am Night Extra.

Capital Radio

6.00 am Graham Dene's Breakfast Show (S). 9.00 am Michael Aspel (S). 12.00 Dave Cash (S). 3.00 pm Roger Scott (S). 7.00 London Today (S). 7.30 Adrian Love's Open Line (S). 9.00 Your Mother Wouldn't Like It with Nicky Horne (S). 11.00 Tony Myatt's Late Show (S). 2.00 am Duncan Johnson's Night Flight (S).

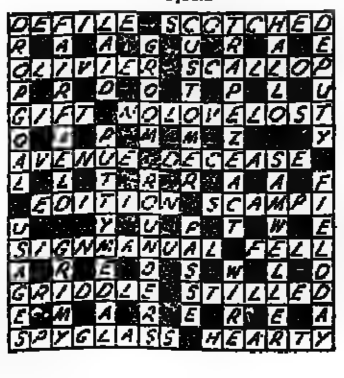
F.T. CROSSWORD PUZZLE No. 3,926



ACROSS
1 Arranged in a suitable way to be friendly (4, 8)
10 Most serious to put a copper on trial (7)
11 Root of average bargain (7)
12 Solicitor gets outside right to fish (5)
13 Voluntary call to exempt Shakespeare (4-4)
15 Cry at a holy switch to Britannia (5, 5)
16 Obstruct way to work (4)
18 Expected student to fight (4)
20 Intended to take counsel (10)
22 Not one of the Crown lands (8)
24 Navigator's favourite screen detective (5)
26 Go west with firm that's ultra-conservative (7)
27 List the variations in national emblem (7)
28 Start quarrelling with receiver next to the listeners (3, 2, 3, 4)

DOWN
2 O surely disordered to be so evasive (7)
3 Don't move story yet (3, 5)
4 Jot down 1-0—thanks (4)
5 Hanging festive decoration on Press empire (5, 5)
6 Suitable material with swell sound (5)
7 Professional man stopping at work (7)
8 Match girl exchanged at Covent Garden (8, 5)
9 Tart fraternity in immaculate condition (5, 3, 5)
14 Be favourably disposed to one film shot please (4, 6)
17 Approach team left to British motorists (4, 4)
19 Train sent for particular purpose (7)
21 He settles accounts with the Listener (7)
23 Be a good chap you rotter (5)
25 Design on metal and so on to Hindhead (4)

SOLUTION TO PUZZLE No. 3,925



ENTERTAINMENT GUIDE

OPERA & BALLET

COLISEUM. Credit cards. 01-240 5258. Reservations 01-836 3161.
ENGLISH NATIONAL OPERA
There are no performances at the London Coliseum between March 5 and April 3. The box office is open 10-8 Monday to Saturday and booking is now open for all April performances. English National Opera is on tour and returns to this theatre on April 4.

THEATRES

MAYFAIR. 629 3036. 493 2031 (Green Park Tube). Mon.-Fri. 8.00. Sat. 6.00 and 8.45.
TONY SELBY. DAVID DIXON
FLASHPOINT
A Thriller of a Comedy by Tom Kempinski
Directed by Anton Rodgers.
"A compelling play." Telegraph.

WHITEHALL. CC. 01-930 6692-7765. Monday to Thurs. 8.00. Matinees Fri. and Saturday 6.15 and 8.45.
IPI TOMBI
The African Musical Explosion.
A pulsating riot of Dance and Song.
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THE ARTS

Stuttgart: State Theatre

Orpheus

by CLEMENT CRISP

"Death is all metaphors." With this Dylan Thomas quotation William Forsythe prefaces the commentary he provides in the Stuttgart programme book for his new ballet *Orpheus*, whose first two performances I saw at the weekend. Forsythe is a young American, one of the new talents being nurtured by the Stuttgart Ballet, whose confidence in his abilities has earned him a brand new score from Hans Werner Henze. The ballet marks a continuation of the collaboration between Henze and Edward Bond as librettist initiated in the opera *We Come to the River* in 1976, and here extended in an uncompromisingly original reworking of the classic myth. Cast in six scenes, divided into two acts, the result is a stunning theatre piece impelled by Forsythe's brave response to Henze's highly imaginative score. Bond's scenario, and his set of nine *Canzoni to Orpheus* which are a commentary on the theme, invert and revise the Orpheus legend, turning the musician/poet into a revolutionary figure who rejects Apollonian inspiration, breaks the lyre that is his contact with the god, to make "a new music./To the new music the dead rise out of hell/They are resurrected and changed/Calm happiness and contented joy/Children climbing over the edge of the world/Hell is emptied/Orpheus dances with Eurydice/The music of Apollo is the music of men." Thus part of Bond's libretto, and thus, in essence the action of Forsythe's ballet, whose richness in metaphors inspires choreographic and production ideas that reverberate in the mind long after the curtain has fallen.

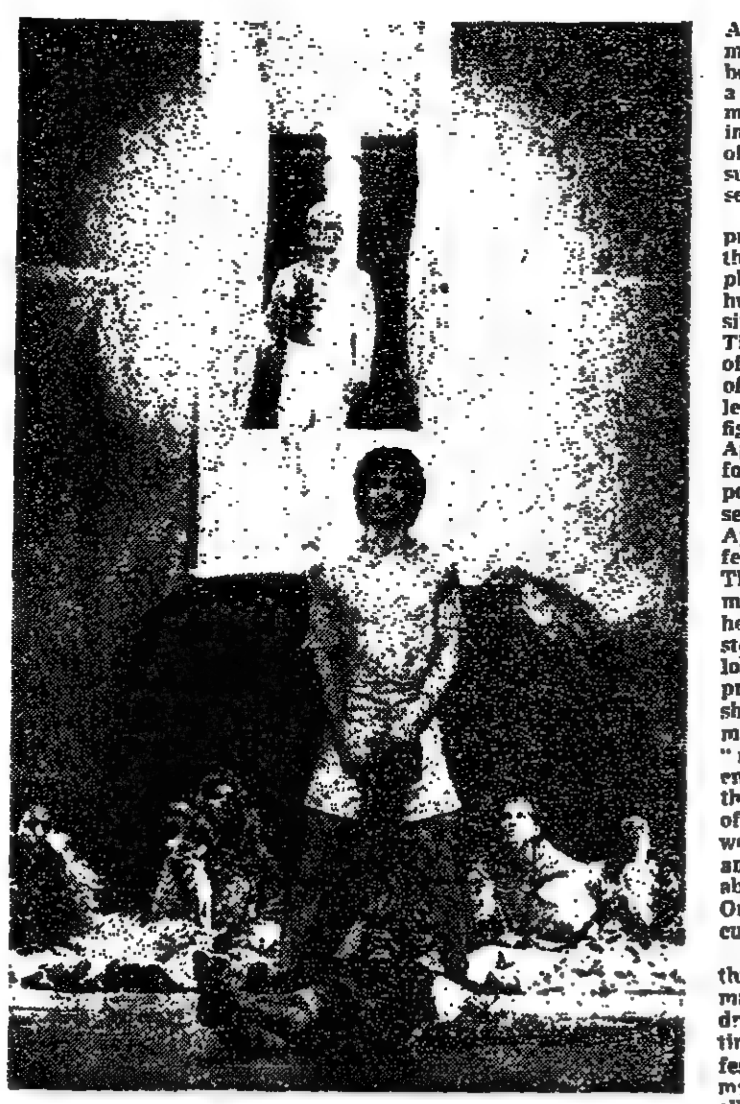
Visually as well as dramatically, the piece is concerned with the harsh poetry to be made from the materials of today, as we saw 20 years ago in Cocteau's celebrated film, but its politics are not Cocteau's. For Henze, Bond and Forsythe the key to *Orpheus* is the creative artist who breaks entirely with past myth and past attitudes to forge a new world by defying the gods. In this version the gods are the villains: Apollo a vapid and posturing premier danseur classique; Hades (as Pluto is here named) and Persephone "old, sly, evil/They wear rulers' robes that have no dignity/Their hands and robes are soiled from counting the dead."

The tone of the work is, I feel, indicated in these quotations from Bond's libretto. Its superbly effective setting, by Axel Manthey, is a white boxed set, having three doors at the side, and at the back a cellar-like entry into hell, while above this is a neon-lit white corridor with sliding doors, down which Apollo makes his appearances in clouds of dry ice.

In the first scene men and women are involved in brutal, orgiastic worship of Apollo—Henze providing a fierce percussion accompaniment. During the rite Orpheus (Richard Cragun) kills a man, tearing from his body a blood-stained rag, which he binds round his arm. Now Apollo (Reid Anderson) appears, bearing a lyre-harp which he gives to Apollo. Here, as throughout the ballet, Forsythe provides a resonant symbolism: Orpheus, blinded by the bloody rag, at first rejects the lyre, but Apollo (immaculately white suited, and with a gold breast-plate), shows him its use, and at its first notes, the dreadful chaos and din among the people is calmed.

Eurydice (Birgit Keil) now emerged from among the women, drawing a circle upon the white wall of the set, an 'O' which suggests both the dawn of order and the initial letters of Orpheus' name. (The fact that later, in his agony at losing Eurydice, Orpheus will chalk an 'E' upon this same spot is not without significance. Eurydice's solo, to harpsichord music, seems broken, disjointed, gawky, but a subsequent duet with Orpheus is a lyrical expression of their love, and the crowd of humanity responds with movements expressive of serenity and ease of mind.

The second scene starts with a politically acrid confrontation, contrasting a group of grotesque socialites of 1950s New York, posing and jiving upon a carpet and surrounded with cups and sporting trophies, with an admiring group of "ordinary" people. Inevitably, class warfare breaks out, the two groups screaming and shouting at each other, and in this melée Eurydice is killed. Orpheus, to some of the most potent music in the score, grieves. At this moment, Forsythe pulls off a brilliant coup de théâtre as the gates of hell open to disgorge three emissaries of death: men in black suits, twitching, jerking in horrific, spastic movement, scrawling on their costumes with



Richard Cragun and Reid Anderson (above)

white chalk, and in hallowed police procedure, chalking an outline round the dead Eurydice. Chalk becomes a very Cocteau-esque leit-motif: erased, it can restore life: its very marks are symbols of the underworld. Orpheus plays his lyre; the emissaries become impotent, and Eurydice returns to life, but bemused, and even when supported in Orpheus's arms, seeming but a shell of her former self.

In the third scene Eurydice dances with the women, but the emissaries of death are among them. Again her body is outlined in chalk in the ground, despite Eurydice's feverish attempts to erase the marks, and she is drawn into hell. Orpheus returns, and Cragun is given a magnificent solo which combines prodigious leaps with moments of uncontrollable shaking. He chalks his own outline upon the floor as a passport to the underworld, and when Apollo reappears the god offers no consolation — merely the sterile academic routines that characterise his role.

Orpheus now tears the white paper that lines the walls of the stage to reveal the blackness of hell underneath, and the first half of the ballet ends with him gloriously posed, lyre in hand, ready to embark on his journey in search of Eurydice.

Hell is this same black room, dominated by Hades and Persephone somnolent above the entrance into the underworld, with the dead lining the stage on chairs. Death for them is lunacy: idiot gibberings, agonised convulsions, hands raised in supplication. The scene becomes brutally horrible as Hades and Persephone descend among their subjects. With grey macintoshes flapping about them, they fight and tear at each other in senile anger, before tormenting their subjects. (The performance of Otto Neubert and Melinda Witham quite extraordinary in their chilling projection of evil.) Orpheus plays his lyre and the dead are calmed and, after being tricked by Hades, Orpheus at last can try to lead Eurydice back to life. Their journey to the world of the living is most skilfully suggested by Forsythe, as the lovers move through a maze of bodies, but the emissaries of death snatch Eurydice again, and Orpheus is maddened with grief. He has already torn down the black paper that clothes the walls of hell: now he vainly attempts to replace it, to gain another chance to find Eurydice. His frenzy breaks out in a variation that is a cry of agony, danced by Cragun with huge force but no loss of expressive dignity. Apollo descends, yet he is no figure of consolation. Instead he shows a smirking, heel-clicking inanity that develops into a solo of arid technical steps, for all the world like the worst kind of complacent premier danseur. Reid Anderson is tremendous at this moment, his self-satisfied exit being the equivalent of "Such a pity; so sad. But do admire my elegance of style." The implied comment on the failure of art when faced with human suffering is debatable, but presented with vicious brilliance.

Orpheus' madness and despair provide in a solo for Cragun that exploits his untiring physical power, and that humanity and emotional intensity that are superlatively his. There ensues a general dance of rough energy for the chorus of men and women when they leave, Orpheus is a broken figure. But the return of Apollo seems to give him the force to rebel. He strides purposefully about the stage, seizes his lyre, and the aghast Apollo watches him break it ferociously into smithereens. The god, too, is thus broken, making his way back to his heaven in tottering, convulsive steps, like a machine that has lost all purpose and use. The prostrate Orpheus touches the shattered lyre, and from it makes the first notes of his "new" music. With renewed energy he rises, and walks into the hell-mouth. Onto the calm of the empty scene men and women slowly return, Eurydice among them, and as they stare about them at their new world, Orpheus, too, returns, as the curtain falls.

I have detailed the action of this piece in the hope that I may convey something of its dramatic energy, and the distinction with which it is manifest on stage. Politically it may seem simplistic: theatrically it is justified by its rich imagery. Henze's score is, on a couple of hearings, ideal as a basis for the action; on its own terms it is most distinguished — the long, elegiac melody for the strings that marks the journey from hell in the fifth scene pierces the heart. Design (and costumes which are by Joachim Herzog) make something vivid of every moment. The company performance is nothing short of superb. Reid Anderson and Birgit Keil are ideally cast: Richard Cragun is again revealed as one of the greatest dance artists of our time. We accept his extraordinary technical power and grace as a language of which he is perfectly the master. What strikes afresh with each interpretation is his humility in his major roles: his absolute rejection of "self," the spirit—the artistic soul—that is manifest is that of a uniquely beautiful talent. Does one use "genius" to describe a dancer? If one dares, then the description fits Cragun.

For William Forsythe, whose only other ballet I have seen is the *Flore* which the Stuttgart company showed us at the Coliseum last summer, *Orpheus* indicates a choreographer sure of his means, forging a personal and effective language. At rare moments I suspect that he is servant rather than master to his score, but in the main he explores the power of Henze's imagination in dances no less powerful and imaginative. A grand achievement for Suttgart.

Festival Hall

Dances from Salome

by RONALD CRICHTON

"It is probably as well, at a first hearing," Peter Maxwell Davies stated in the programme note for Friday evening's first British performance of his *Dances from Salome*, "to follow the purely musical argument, rather than to attempt to grasp . . . the action." That argument, he made clear, and had made clearer still in a talk before the concert, is dominated by a plainsong for John the Baptist's Day itself based on a magic square — "a self-contained numerological matrix in which all the dimensions add up to the same figure—horizontal, vertical and diagonal."

All the same it was tempting to try and relate the sounds made by the London Symphony Orchestra under David Atherton (at the second of the Four Friday Concerts) not necessarily to the action but to some form of Balletic movement. For Maxwell Davies's *Salome* is a full-length ballet, written for Flemming Flindt's company in Copenhagen and successfully performed there for a run. No-one in his senses would suppose that to write good ballet music, even one act, let alone a whole evening of it, is easy. How many full-length ballet scores of the front rank are there—one or two by Delibes, three by Chaikovsky, two or three by Prokofiev, one each by Britten and Henze?

Apart from copious melodic invention and an ear for colour, the job needs an inborn feeling for and understanding of the movements of the classical dance and a more generalised gift for writing music that lights up in the theatre (this gift of course is shared by some but alas not all opera composers). The problem with a full-length ballet is the assembling of what must necessarily, given the physical limitations of dancers, tend to be short sections, into a fabric that keeps the interest running high and has architectural coherence. Stravinsky, the most gifted writer of ballet music after Chaikovsky, never attempted anything on the time-scale of *Salome*.

Since Maxwell Davies was understandably concerned for the music to stand on its own feet, he gave little information about the style of the ballet. Presumably Flindt's choreography is a fairly free form of classicism (all I have seen is a couple of rehearsal photographs showing his ballerina-wife wearing blocked shoes). What impresses about *Salome* at a first hearing (the composer stated that the *Dances* represent about one-third of the whole ballet, which lasts over two hours) is the length of the various sections—the amount of time during which the composer can keep a figure or a mood going, or slowly build up tension with sustained phrases. There is some beautiful "magic" writing, referring not to squares or circles, but simply to intricate textures not unlike those found in certain works of Tippett. But one was constantly wondering, not "what is happening here," but "what kind of movement can they be doing?" Since co-operation with the choreographer during the period of composition was evidently close, the result must work—somehow.

What was let out concerning the action did not sound terribly appetising. The character of Salome has been white or perhaps pink-washed into "the over-indulged daughter of rich materialistic parents, who is driven to revolutionary desperation by their power-hunger and crassness." That, surely, comes from near the bottom of the radical-chic barrel. This Salome doesn't just lust for the Baptist but loves him, though she does make a pass and is rejected. It isn't Salome but Herodias who orders the Baptist's execution. Salome dances, without a single veil, because Herod has made a pass at her and sent her crazy. At the end she is apotheotically united in heaven with the Baptist like Senta and her Dutchman, also like Chaikovsky's Aurora.

Still, many ballets have survived worse scenarios, and few have such a superior musical basis. Now that we have a composer of this quality who can write a full-length dance score packed with stimulating music, the Royal Ballet must take notice, either by mounting *Salome* or by commissioning a successor. Their repertory isn't all that full of distinguished modern scores. Friday's performance was exciting and convincing (incidentally, for those who can get it, there is a very good two-disc Danish EMI recording of the whole ballet, 157-39270/2, by the Danish Radio Concert Orchestra under Janos Fürst). The *Dances* shared the programme on Friday with the *Harold in Italy* of Berlioz. Csaba Erdelyi played the viola solo. Except for the soloist, the playing was a bit below par in the first two movements, but much livelier in the Serenade and Orgy.

St. Michael's, Highgate

Italian baroque

by NICHOLAS KENYON

The opening night of the Camden Festival saw not only Mozart's *Mitridate* in the Logan Hall (reviewed yesterday by Max Loppert) but also a Kodaly/Bruckner concert by the Camden Choir in Primrose Hill, and this interesting compilation of baroque church music by Monteverdi, Antonio Bononcini and Vivaldi, given by the Highgate Choral Society. Were there audiences for all three events? Highgate Church, at least, was full for this unfamiliar fare.

The main work was the curiously entitled "Messa di Gloria" by Vivaldi. Hopes that this might turn out to be Vivaldi's one complete Mass Ordinary setting (586 in Ryom's catalogue, preserved in Warsaw) evaporated on sight of the score: it was simply a juxtaposition by an American editor of the G minor Kyrie (Ryom 587) and the lesser-known Gloria (RV588). Two magnificent works, the bold and dissonant double-choir Kyrie especially, but almost certainly not belonging together. (If there is a pair among these choral pieces, then it is this Gloria and the Credo RV591, which I have never heard in this country.)

I was disappointed by the lack of crisp attack by the enthusiastic Highgate singers, though the vivid colours of Vivaldi's writing (especially the rippling semiquavers of "Et in terra pax") came across well. Penelope Walker shone in the non-liturgical *introduzione* to the Gloria—a show-off motet troping the "Gloria in excelsis" text, presumably a substitute for a celebrant's intonation.

Brian Wright, who conducted, did not make the most of the continuity between Vivaldi's short movements, and the same fault turned Antonio Bononcini's powerful *Stabat Mater* into a less-than-dramatic sequence of arias and choruses, marred by long pauses and endless sit-stand-sit routines. This imaginative setting of the medieval hymn has had a raw deal: the recent recording (Argo ZRG 850) perpetrated many of the confusions between Antonio and his brother Giovanni (Handel's rival in London), giving him the wrong date of birth (it was 1677, not 1675) and attributing Giovanni's opera *Il trionfo di Camilla* to him. Camden could scarcely be blamed, then, for repeating the legends (though the facts are clearly set out in the New Oxford History of Music, Volume 5)—but one might have expected from this group a livelier response to stylistic characterisation. As it was, a good sing in the English tradition. Other soloists: Nicola Jenkin, Robert Chilcott and Richard Stuart.

'Telford's Change' author's new play

Peter Barkworth, Hannah Gordon, Stephanie Beacham and Edward Hardwicke will star in Brian Clark's new play *Can You Hear Me At The Back?* The play, which is designed by Carmen Dillon with lighting by Robert Ornbo, is directed by Barry Davis.

It will open at the Theatre Royal, Brighton on April 9 and will then visit the Theatre Royal, Bath, on April 16, the Devonshire Park Theatre, Eastbourne on April 23, and the Richmond Theatre Royal on April 30. The play will open in London in mid-May.

Brian Clark is the author of the play *Whose Life Is It Anyway?* currently playing at the Savoy Theatre, and the recent television series, *Telford's Change*.

ICA Theatre

Hanns Eisler—2

by DOMINIC GILL

I reviewed the first of the two enterprising restrospective concerts of Hanns Eisler's music, both devised and directed by the composer and Eisler-pupil David Blake, on this page last Friday. It is not an easy task in any circumstances to give a comprehensive picture of the work of this intriguing and versatile, and much-neglected, composer; but with very limited resources the task is nearly impossible. No appreciation of Eisler is complete without a glance at the best and most characteristic works, most of which are scored for medium-size or large ensembles—the lovely *Ernste Gesange* for baritone and string orchestra, the five *Orchestral Pieces* of 1938, the Brecht-Eisler *Kriegsfibel*, the *German Symphony* and *Lenin Requiem*, the fascinating *Little Symphony* op. 29, and not least a substantial nod towards the major film and theatre collaborations with Brecht: *Kuhle Wampe*, *Schweyk* and the Gorki-Brecht *Mother*, for example, as well as the *Lehrstuck* generally acknowledged as Eisler's masterpiece, *Die Massnahme*.

The second Eisler programme, given at the ICA on Sunday night, was still more restricted in its view than the first at St. John's last week—a couple of solo piano pieces only, both of interest, but neither of special importance, and for the rest, a sequence of songs and miniature "cantatas" with one, two or four instruments. The centrepin of both concerts was the soprano Roswitha Trexler, whose bright, attractive voice lacks some of the smokier cabaret colours of the darker, smokier songs, and sometimes also the weight to project them—but whose lively manner and intelligent delivery were nonetheless real pleasures.

Miss Trexler had already given us the *Zeitungsausschnitte* op.11, one of the first of Eisler's works to catch public attention in the early Berlin years when he had finished his studies with Schoenberg. On Sunday she gave another significant early work, the *Palmström-Studien* op.5 (later re-subtitled "Parodies") for sprechstimme and *Pierrot* ensemble minus piano and bass-clarinet—a veritable miniature *Pierrot Lunaire*, homage to his mentor, but subtly and imaginatively worked, in no sense a facile pastiche. Three of the nine little Cantatas which Eisler wrote while staying with Brecht in Finland in 1937 were scored for two clarinets, violin/viola, and cello—mournful combination, used with point in the *Kantate auf den Tod eines Genossen*, and with lively irony in the trenchant *Römische Kantate* to a text from Ignazio Silone. A group of six Brecht songs with the pianist John Tilbury were less distinguished, less mordant—the single exception a setting of "Mutter Beimlein" for voice and solo clarinet, weirdly limping, surreal and very strange.

Elizabeth Hall

Cleveland Quartet

by NICHOLAS KENYON

Like many others, I was bowled over by the Cleveland Quartet when I first heard them. The intensity and coherent power which they brought to the masterpieces of the 19th-century repertoire (one recalls particularly Schuber's *Death and the Maiden*) made one overlook points of imbalance and under-characterisation in the playing. Later, when they turned to Beethoven, satisfaction was less easily obtained: classical argument required more of a sense of proportion than their continually forward-moving, almost relentless performances provided.

On Sunday in the Elizabeth Hall, one heard both the best and worst of their approach. Internal balance is, I think, much improved: the powerhouse of the quartet is still the violist Martha Strongin Katz (so why put her in the exposed forward position?), but the clarity of first violin and cello now matches her fierce, resilient tone. In the major work, Brahms' B flat Quartet Op 67, the familiar hard-driven style brought a splendid forthrightness and sense of purpose: both Donald Weilerstein's soaring violin melody in the slow movement and the violist's concerto-like passages in the third movement were also full of poetry. This was an account of orchestral weight and variety of sound.

Curiously, one missed warmth and expressive weight not in the Brahms (where it is difficult to avoid) but in Bartok's Fifth Quartet—a whiter-than-white, coldly aggressive approach made it sound like part of Bartok's own American nightmare; rhythms jabbed automatically, without any breath of folky freedom or exuberance. At the start of the evening there were the two movements which Mendelssohn finished of his final Quartet: the Theme and Variations, and the Scherzo—done lightly, brightly, but again without deep resonance: fairies flitting in two dimensions only.

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A boost for coal

THE DECISION by the Central Electricity Generating Board to burn more coal in its power stations over the next few months goes part of the way towards satisfying the Government's desire to see a higher rate of coal burn for the two-fold purpose of conserving oil supplies and easing the financial pressures now facing the Coal Board.

Current outlook

The decision is based upon the Board's own assessment of the current outlook for oil and coal supplies. Although the relationship between oil and coal prices still marginally favours oil, the latest round of higher crude oil prices has yet to work its way through and, given the additional uncertainty over Iranian oil exports, the Board sees it as a matter of ordinary commercial prudence to pare back its plans for using oil.

It had projected an oil burn of some 4¼-4½m tons during the coming six summer months, as against 3½m tons a year ago. This is now to be cut back by about 1½-2m tons which—because oil firing is more efficient than the older coal burning capacity which will be brought back into operation—will mean an extra 3-4m tons of coal.

The commercial nature of this decision is underlined by the fact that the CEGB is not seeking an extension of the Government's assisted coal-burning scheme under which the board burnt an extra 3m tons of coal during the past winter months in return for a £17m Exchequer subsidy. Any additional costs will remain the board's responsibility.

For the Government, the sting in the tail of this offer lies in the CEGB's desire to be free to reassess the supply situation as it develops. Supplies of the heavy oils the board uses may not be so restricted as some observers have been assuming, and the ability of the Coal Board to produce the volume (and quality) of coal the CEGB is now projecting, coupled with British Rail's ability to move it to the power stations, cannot be taken for granted. In short, the CEGB has said it will do its utmost to take the equivalent of 80m tons of coal in 1979-80. It is prepared to put the Coal Board's claims to the test. But it wants to retain the flexibility of a multi-fuel strategy by adjusting its operating programme as changing circumstances warrant.

This is a proper commercial stance for the board of a state-owned industry to adopt. It is equally open to Ministers to seek to persuade the CEGB to make a firmer commitment to coal and to be prepared, if it comes to a question of overriding the board's commercial judgment, to provide suitable financial compensation to cover the additional costs, as indeed was the case with the assisted coal burning scheme. In this way, the respective responsibilities of the boards and of the Government are made clearer, the boards can be given an internally consistent set of objectives, and their performance can be more readily assessed.

Targets

A re-definition of roles along these lines was promised in a Government White Paper last year. Faith in the willingness of Ministers to live up to these promises will however have been undermined by the latest imbroglio over electricity and gas prices. The White Paper foreshadowed the restoration of financial targets, but when new targets were announced for gas and electricity shortly before Christmas they were set for only 1979-80 instead of the normal span of three to five years.

This was a barely disguised device for pushing up gas and electricity prices in order to help coal. As we commented at the time, one-year targets serve neither as a basis for planning, a discipline for management, or a yardstick for performance in industries where sales can fluctuate with the weather.

Abuse

The abuse of financial targetry has now been compounded by the Government's refusal to over-rule the Price Commission's freeze on domestic (but not, illogically, on industrial) electricity prices. A case can be argued for efficiency audits of State monopolies but not for efficiency investigations which are compressed into as little as three months and which are prompted by price increases engineered by the Government itself.

Trudeau has a chance

THE CANADIAN dollar and the Canadian Government have made a little spurt in public favour this year. But in both cases the question is whether the recovery can last. The dollar, which stood below U.S. cents 84 in mid-January has gone above U.S. cents 85 this month, at a time when it should really be weak seasonally because so many Canadians are in Florida or Hawaii, escaping from the Canadian winter.

At its present level the dollar is well below the U.S.$1.03 which it reached before the return of the Levesque Government in Quebec in November 1976. It is also below the U.S. cents 90 or thereabouts which would be about right in terms of comparative purchasing power, according to a calculation done by the Canadian Imperial Bank of Commerce. But Canadians have become used to having a currency on a downward slide, and the reversal has made a pleasant change.

Election

The reasons for the strength of the Canadian dollar are not at all easy to pin down. The federal Government in Ottawa has made it clear that it will borrow abroad to support the currency, dropping all suggestion that it merely wants to smooth out exaggerated movements either way.

In the long run support intervention never does work, but the immediate purpose clearly is to get by until the election which must be held this year, probably in the summer.

How much the federal government will have to borrow this year to balance the external payments will depend largely upon short term capital flows, which have been running strongly against Canada in the recent past; and on how much the private sector and the provinces borrow abroad, principally in New York. The current account deficit that will have to be covered by one means or another is likely to be about C$4.7bn (about £2bn), made up of a merchandise surplus of C$4bn, as against C$3.5bn in 1978, and an unchanged service deficit of C$8.7bn.

Growing importance

In the light of the Iranian crisis, Canada's position as a producer of oil and natural gas clearly is of growing importance. An enquiry by the regulatory authority, the National Energy Board, has opened up the possibility of additional gas exports to the U.S. which optimists expect to yield C$500m next year and twice as much as the year after. But a note of caution is required: there are political pressures against licensing these exports, and in any case the U.S. need may not be as great or immediate as at one time believed.

Nevertheless, being a net exporter of energy is a healthy position in today's world. In addition, the devaluation of the Canadian dollar has helped Canadian industry to the point where last year's real growth of GNP by 3.4 per cent was very much led by exports which spurted by 8.5 per cent. Sooner or later investment intentions must respond to a level of domestic activity that is evidently greater than the mere GNP figures would indicate. In the last quarter they were depressed by especially high transfers abroad of dividends, made for tax reasons: something that does not directly affect domestic activity at all.

Inflation

On the reverse side of the coin Canada may be heading back into a period of inflation in double percentage figures. The beef cycle is in the stage when it is pushing up the price of Canadians' favourite food; devaluation has had its inevitable effects on home prices; and the trade unions are restive after a period of wage controls. Moreover though Quebec is out of the news, the problem remains unsolved.

All of which means that Mr. Pierre Elliott Trudeau, the Prime Minister, will have to time his election exactly right to have a chance of survival. His party, the Liberals, actually got its nose ahead of the Progressive Conservatives in a poll published last month. But Ontario, where the election will probably be decided, and above all Toronto, still vastly preferred the Tories. About four months ago most Canadians had just about given up Mr. Trudeau. Now he must be given a fighting chance—and he has shown that he is a fighter. But the long-term prospects for the Canadian dollar still must be accounted stronger than his.

The eastward march of the watch movement

BY JOHN LLOYD

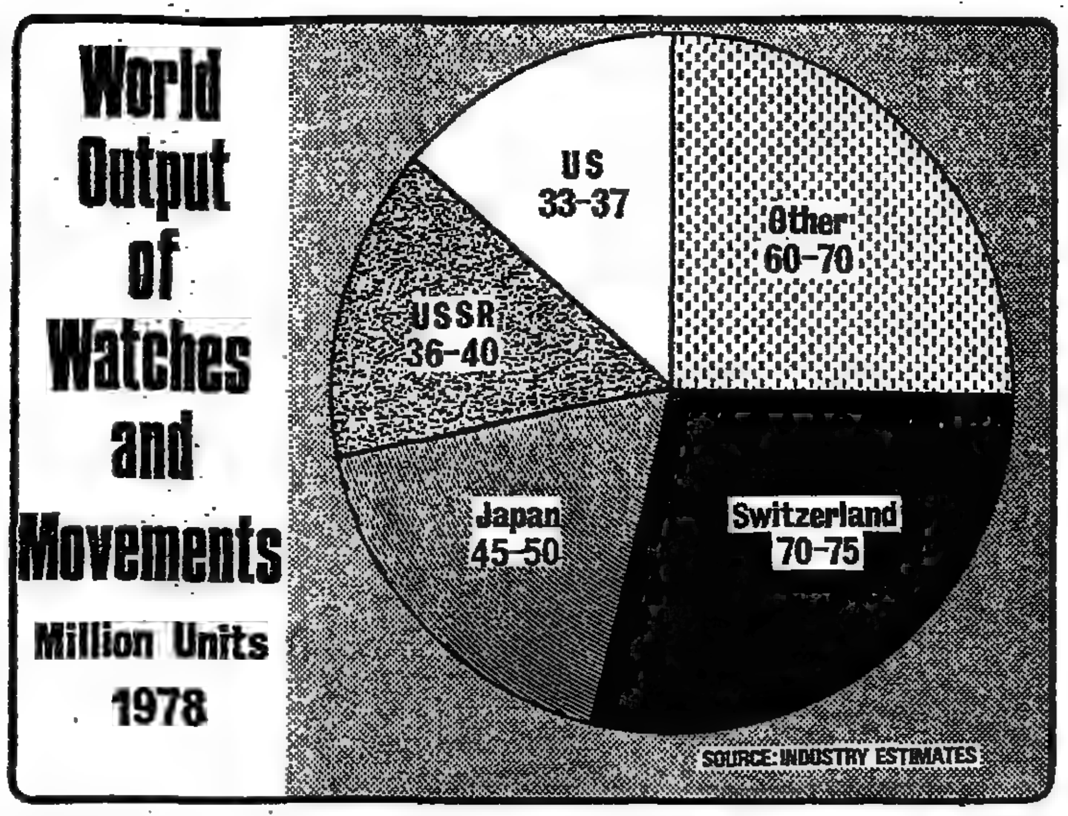
THE MAKERS of watches for the world market—worth an estimated £3bn—are now more likely to be oriental than Swiss. For the centre of watch production has shifted from Switzerland to the Far East—Japan, Hong Kong and Taiwan — as microelectronics, the great leveller, puts accuracy on the wrist of Everyman.

The turbulence created by the introduction of quartz into watch technology shows some signs of abating. Although markets remain fiercely contested, new patterns are beginning to assert themselves, and new trends are appearing.

Trend 1: The drift away from mechanical towards electronic, or quartz, watches continues. The industry reckons something like 25-30 per cent of the total market is now quartz. Seiko, the Japanese company which leads the world (in income, though not in units produced) believes that Japan and the U.S. will be 50 per cent quartz or more by 1982, with Europe lagging slightly.

But reports of the death of the mechanical watch have been exaggerated. Timex Corporation, world leader in units produced, insists that mechanical watches will be around in very large numbers for ten years or more because, at the volume edge of the market where price is all, mechanical watches have the edge.

Mr. Marcus Margulies, chairman of Time Products, the UK group which handles Citizen and Sekonda watches (among others), confirms the still cautious approach to quartz. "We are still doing much more mechanical than quartz. This year, 25 per cent of Sekonda (the largest selling Time Products brand) will be quartz, as will the Limit and Longines range. Only Citizen is largely quartz."



Battery life

Within the electronic watch market, the light-emitting diode (LED) type has continued to decline in popularity, largely because it requires a button to be pushed to show the time and its battery life is often comparatively short. A number of manufacturers believe that it will soon be virtually a product for children.

The liquid crystal display (LCD) type, where the figures are constantly displayed, and the quartz analogue, where the quartz crystal powers a tiny motor which moves hands on a conventional face, are both increasing in volume, but there is some evidence which suggests that those—especially the Swiss—who expected the analogue to show much stronger growth have yet to see their hopes fulfilled. It is commonly estimated, for example, that it has taken only 3-4 per cent of the UK market in terms of units, though double that figure in terms of value.

Once again, the key factor is believed to be price, coupled—in the case of the quartz analogue—with the ability to reduce the size of its comparatively thick case. The electric motor dictates the bulk. Slimmer motors are now being produced, however. Mr. Willi Hermann, chairman of Trafalgar, the UK's only electronic watch manufacturer, says he has cracked the problem for the mass market with an analogue which is 5mm thick.

Trend 2: The relative decline of the Swiss watch industry appears to be continuing, though it is trying hard to fight back. It has not been helped by the sharp appreciation in the Swiss franc: M. Pierre Renggli, chairman of ASUAG, the dominant watch-making group, told his general assembly last November that the dollar had fallen against the Swiss franc by 36 per cent compared with the average value in 1977—the rate last week was SwFr 1.68 to the $—and that ASUAG sales between July and September of this year were down 6.5 per cent, after a 9.1 per cent rise in the first half of the year. At the end of last year the Société Suisse pour l'Industrie Horlogère (SSIH), the smaller of the two major groups, told its shareholders that a decline in sales of its cheaper watches would mean losses this year.

M. Renggli said that the "industry cannot escape from the industrial and economic conditions prevailing in Switzerland. It is to be expected that the establishment of production workshops abroad will intensify . . . in the field of electronic watches, the transfer abroad of part of the manufacture of solid state modules has become inevitable."

In short, a Swiss watch is now quite likely to be partly made in Hong Kong, Taiwan or South Korea. Indeed, as M. Renggli emphasised, unless they are so made, the industry will be forced to evacuate not just the lower end of the market (which it is, inevitably, having to do anyway) but also the middle range where it is still strong: that would leave it strong only in the high quality, high price market.

The Swiss are pushing on a number of fronts. As well as shifting production to the low-labour-cost Far East, they are continuing automation and rationalisation of brands in the cheap, mechanical watch sector, and re-thinking their restrictions on the export of watchmaking components, with a view to encouraging joint manufacturing operations overseas.

Moreover, the Swiss, having moved into electronics, are now doing it properly. Recently, Longines, a member of the ASUAG group, introduced an electronic analogue watch less than 2mm thick (thinner than a matchstick), which will retail in the UK at around £3,500. "The first watch to break the 2mm barrier," it proclaimed, letting it be known that Seiko's best so far was above the 2mm "barrier."

Mr. Manfred Laumann, Longines' President, in London to launch the watch, viewed the shift in watch production philosophically: "Our share was bound to shrink. During the war, the Swiss were the only people in the world making watches—a total monopoly. It could be argued we should have exported our technology—because other countries couldn't get it, they have come on all the more fiercely with their own. It could be argued we should have got into electronics more rapidly. But now we are slimmed down and we are very strong."

Trend 3: The real problem for the Swiss—and for everyone else who makes watches—is not so much the falling dollar as the rising sun. The Japanese have roared into the watch market as they have into many others, and now the names of Seiko and the number two company, Citizen, strike chills worldwide.

Seiko, which claims to be the first company to have manufactured a quartz watch—in 1969—last year reported turnover of over $1bn, more than twice that of its nearest rival, ASUAG, which in turn is narrowly ahead of Timex (U.S.). Significantly, however, both ASUAG and Timex easily outsell Seiko in terms of numbers of watches and movements sold. ASUAG still leads the world, with 36m sold in 1977; Timex sold 34m (around the same number as that reported for the Ministry of Instrument Making of the USSR), and Seiko a comparatively modest 20m. In short, Seiko's strength is overwhelmingly (but not exclusively) up-market.

Seiko believes that its quartz watches will account for about 40 per cent of its production this year; but even last year, they provided 60 per cent of its sales by value. It markets a range of quartz analogues, but is best known for its highly inventive LCD digital models, incorporating functions like calendars, alarms, automatic time zone changes, stopwatch and even a tiny calculator, possible because of its designers' constant innovations in chip technology. Seiko, has popularised the concept of "wrist instrument" to replace the traditional designation of "watch."

The company has benefited from the reaction of the market away from the very low-priced digitals developed in 1974-75 by U.S. semiconductor companies and by the UK company, Sinclair. Most of these companies have left the watches sector, mainly as the result of quality problems. Now, only Texas Instruments—which produced about 8m watches and movements in 1977 and earned around $100m from watch sales—is strong in the market.

Fairchild, which kept its Timeband range limping along for some time, finally pulled out earlier this year.

Seiko and other Japanese manufacturers have not just caused havoc among the new entrants to the market. The traditional U.S. quality house of Bulova, based in New York, has seen years of falling profits and cutbacks in its production at home and overseas. At present, it is in the process of being taken over by the Loew Corporation—Loew's has so far paid $40m for around 90 per cent of the stock—and it may be in for a revival under its new owners. The most serious competition for Seiko comes from its home base. Citizen, trying harder as number two, actually beats Seiko in much of Europe. In the UK, it has a pushing distributor in Time Products, and runs a catchy commercial on TV, where a Japanese referee extols the superiority of his Citizen watch before two colleagues, one a silly Spaniard and the other a pompous Englishman.

Both companies are probably going to face a third Japanese up-and-comer, Casio, already the world's leading calculator company, which has entered the Japanese market in the middle-to-low ranges. From nothing three years ago, the company last year made around 3.5m watches and movements and aims to double that number this year.

The UK managing director and Casio board member, Mr. Toshio Arbi, says "Seiko has recently introduced a comparatively low-priced watch called the Arba simply in order to compete with our range. We now have a tremendous position in the low-priced sector in Japan. Unlike Seiko, we are free to develop: they have to keep their mechanical lines going because of the investment in them."

The new age

Casio, says Mr. Arbi, "will expand everywhere we can. We now have hardly any share of the UK market: by 1980, we want 10 per cent."

Quartz-only manufacturers, he says, are practising the first principle of the new age of the watch: "There is no longer any scarcity value in accuracy. Before quartz, you could get accuracies of one second a day only by exquisite workmanship and lots of jewels, and it cost thousands. Now you can get better than that for £25. So accuracy is now standard: it's ceasing to be a selling point. We sell on functions and the cosmetics."

Trend 4: The European market has probably shown little growth over the past year, but is becoming increasingly sophisticated. Of the three major market blocs, it is the most volatile: Japan is virtually impenetrable, and the U.S. is dominated by Timex, Bulova and Texas Instruments, although the Japanese continue to come on strong and the Swiss keep a substantial share.

The UK and Germany are reckoned to be the most advanced markets, with fierce brand competition and sales levels of around 12m a year each. France is reckoned at around 8-9m, and Italy (where estimates differ widely) about the same. Timex is the main producer, with big plants in the UK—employing between 7,000 and 8,000—and at Besancon in France, where the company produces both under its own name and that of Kelton. It accounts for around one third of the market in France, and around 25 per cent of that in the UK. The company had a good year last year, in part due to the continuing strength of the mechanical sales, in part because it is doing better in quartz.

Other major European producers include Jaz in France (also at Besancon) which makes both quartz and mechanical and Junghans (entirely quartz production) and Kienzle in West Germany. In the latter market Timex is less strong, much of the lower end falling to East German imports.

In the UK, Time Products—an importing house with the Sekonda, Citizen and Longines concessions, among others—continues to do well, estimating its share at around 15 per cent. The company has a share in the Hong Kong-based Remex group, which employs 1,000 workers, turning out around 12m watches and movements a year. It has also recently acquired the French company of Parren, employing around 100 workers, and aims to double its production of components.

Trafalgar, which has been the UK industry's success story, shows, by contrast, some signs of wear and tear. Trafalgar built up a good business of around 1m units a year in cheap quartz models retailing through department stores (notably Tesco). It has been hit hard in the past year by the cheap imports from the Far East which account, believes Mr. Hermann, for as much as a per cent of the UK market. It has also suffered in the previously buoyant markets of Spain and Nigeria.

However, it has done well with a new retailing operation in West Germany—German Woolworths are taking more than UK Woolworths now, says Mr. Hermann—and will probably soon increase the productivity of its workforce by diversifying into quartz clocks. It has plans for a quartz travelling alarm, to sell at about £10.

If there is to be a Japanese onslaught on the European, and especially the UK market, spearheaded by Casio, Citizen and Seiko, then there are signs that while other manufacturers and distributors can do well on price, quality might present a problem. A Which? report last year marked Timex, Sekonda and Trafalgar as low on accuracy in certain types, while Seiko and Casio scored consistently high. "Never mind quality, look at the price," may not be enough to stop export-hungry Japanese.

MEN AND MATTERS

Slicing up the Kiwis

The convivial atmosphere was more than a little churned up yesterday at a gathering to announce an £800,000 sales promotion drive for butter. The churner was "Pim" van Haeftan, commissioner in Great Britain for the Dutch Dairy Bureau: speaking as a member of the Butter Information Council—of which New Zealand is a fully paid-up member—he declared that the New Zealand quota of 120,000 tonnes a year in Britain should be ended.

Van Haeftan urged that the quota should be shared by the British producers, Ireland, and the Danes, "who have done a magnificent job here." He added that the Dutch would like some of the quota themselves.

The New Zealand representatives present were far from amused. Stanley Murphy, director of the NZ Dairy Board in Britain, called it "part of an on-going campaign."

Afterwards, van Haeftan apologised for using a commercial forum as a political platform. But whatever the outcome of the bickering, some promotion is certainly needed—butter sales in Britain have slid down from 513,000 in 1975 to 380,000 tonnes last year.

White-hot idea

There is strong political pressure in the United States for copying South Africa, in one way: converting coal into oil and gas. The South Africans learned how to do this with their Sasol process, and after 25 years still have the only commercial coal-to-oil operation in the world.

But Phillips Petroleum has suffered a setback in this tricky technology at a pilot plant in Homer City, Pennsylvania. Nobody was hurt, but a lot of steelwork was melted by a jet of flame from a ruptured joint. A frustrated Phillips spokesman remarked afterwards that the system might not look too hopeful for gasifying coal; but it could point the way for the first coal-fired rocket.

Choosing from afar

Life may be a trifle frantic back home, but at the embassy of the Provisional Revolutionary and Islamic Government of Iran in Prince's Gate, SW7, a distinctly pre-revolutionary style prevails.

"Of course," the embassy assured me icily, when I asked if the ballot for or against establishing an Islamic republic would be secret.

The vote is due to take place next week; about 5,000 or 6,000 of the roughly 45,000 Iranians in Britain are expected to be both of voting age and likely to turn up on the appointed day. What I wondered, was the mood of this largely westernised band? "Very difficult to predict; it's like your devolution," said the embassy lady urbanely.

One Iranian expatriate told me this was true, there was a certain vagueness about the ballot: "None of us are quite sure what an Islamic republic is."

One man who will be able to get the answers at first hand is the embassy's Press attaché Mehrdad Khonsari, who—along with four other officials—was recalled to Tehran yesterday. His appointment pre-dated the revolution. "I'll go back in a couple of weeks or so, about a month," he told me. "The general object is to reduce the size of the embassy. I was supposed to go back anyway." The Washington embassy, the largest, is also being trimmed down.

Down to earth

A British Columbia undertaker is trying to do something about the high cost of dying by offering coffins made of cardboard. To bring down prices further, the undertaker, Ken Timlick, has his wife stitch the linings in simulated satin herself.

The move to cheaper materials has enabled him to cut the cost of the average funeral from $1,000 to $150. But for those who baulk at the thought of cardboard, Timlick hires out a more dignified looking casket, for appearances sake only, until the burial takes place.

Timber doesn't last underground for ever either, he says.

Medicine lake

The bureaucrats of the Berlaymont have at least one friend—a Belgian wine merchant who is doing his bit to lower the level of the wine lake. Appealing cannily to hypochondria (the one characteristic which unites all Europe) he has published a list of ailments as disturbingly comprehensive as in any Reader's Digest; beside each illness is the prescription for a quick recovery.

Hypertension, for example, he says responds well to four glasses a day of Sancerre or Alsation wine. A spot of nervous depression? Four glasses of Medoc is the thinking man's way back to calm optimism. The obese need not listen any longer to the jogging fraternity. The porcine, he says, should get on to a daily diet of four glasses of Burgundy without delay. If you happen to suffer from "gross obesity," you are promoted to one bottle of Rosé de Provence.

Chairman's chair

A new leader will shortly be named for the tightly-knit group of highly-motivated men who control large chunks of Britain's economy. I am not saying that the TUC has chosen a new general secretary — but that Sir Francis Tombs is to become chairman of the Nationalised Industries Chairmen's Group.

The group does not flex its muscles often, at least in public. One of the last times it made headlines was when it complained that its members were underpaid. But Tombs might take the opportunity of his new office to air a general principle that his own Electricity Council sees as being in peril: the freedom of nationalised industries from arbitrary interference in pricing policies.

Bourgeois

Life is hard in the London suburbs, to judge from a publication called the Blackheath Local Guide. A copy I picked up yesterday mentioned in passing, as if it were an everyday story, that "one resident telephoned the council to ask for acknowledgement of a petition, and was told that the council took no notice of petitions "because they might be the work of middle class activists."

Observer

Zaire and the IMF: By MARK WEBSTER

The West shores up a shaky bastion

AGREEMENT ON an economic stabilisation plan between Zaire and the International Monetary Fund within the next few weeks would prove a major breakthrough for a country of great strategic importance in Africa. Western bankers believe President Mobutu Sese Seko will sign the letter of intent within a matter of days because the crippled Zairean economy is limping from bad to worse.

Once the letter of intent is signed the way would be clear for a formal meeting between the Kinshasa Government and the Fund in Washington in about four weeks. It is hoped that the World Bank would also meet the Zaireans to discuss a medium-term investment plan which the Bank is to supervise. The investment plan is intended to repair the damage done to industry, agriculture and mining during years of neglect.

A third meeting would be held with the 10 western governments of the Paris Club and the commercial banks of the London Club to discuss the rescheduling of the $2bn-$3bn external debt which Zaire has contracted. Kinshasa has already said it is no longer interested in the import financing scheme which had been proposed by a consortium of banks led by Citibank. It will, according to bankers, ask for a straight rescheduling of all debt.

Zaire's agreement to an IMF stabilisation programme would go a long way to reassuring western investors and creditors of the long-term security of the country, diplomats say. But recent history gives little encouragement. Once a powerhouse of black Africa, Zaire has been teetering on the brink of collapse for many years. Bad economic management, corruption, political upheavals, neglect of the infrastructure and falling copper revenues have all contributed to Zaire's transformation from one of black Africa's most productive countries in industry, agriculture and mining into a beggar for foreign aid.

The IMF is faced with a payments deficit of $600m in 1978, GNP shrinking by an estimated 5 per cent per annum, industry operating at 50 per cent of capacity, all-out inflation, a drastic shortage of foreign exchange, heavy external debt, internal dissent, starvation in some provinces, chaotic security forces and the ever-present threat of further aggression from outside the country's frontiers.

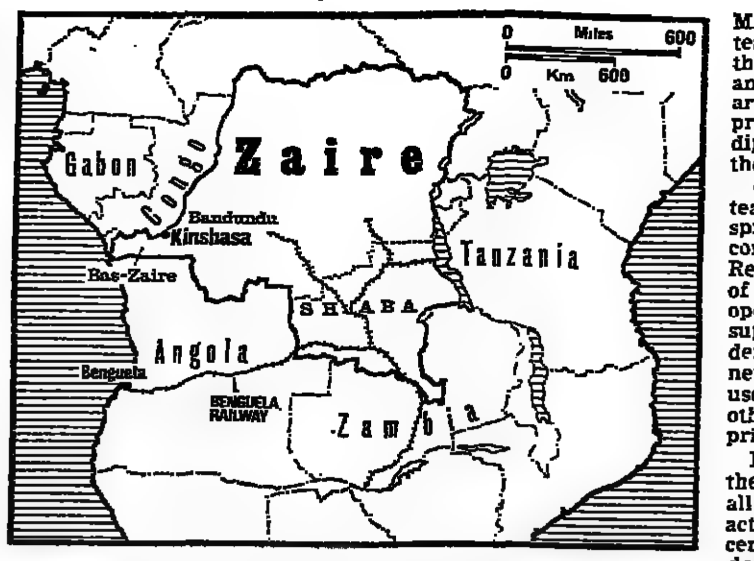
Despite this catalogue of disaster, the West sees the autocratic head of state, President Mobutu, as the person most likely to succeed for the time being. Zaire provides, under his leadership, a bulwark against the spread of Communist influence in southern Africa, it is the supplier of 80 per cent of the world's cobalt, and a debtor to the tune of billions of dollars. But the question remains how far western support will go.

President Mobutu has proved an embarrassment to his friends because of his flagrant abuse of human rights and he has earned himself some powerful enemies in the Carter administration, some of whom he expelled from Zaire while they were stationed there as diplomats. But the West accepts for the moment that this mixture of brutal despot and consummate politician has kept together a country which is the size of western Europe and just as diverse.

Liberalisation

President Mobutu has shown willingness to please the West with his recent cabinet reshuffle and his mild attempts at liberalisation. His former Foreign Minister, Mr. Nguza Karl I Bond, has returned to the Government in the same position after being condemned to death for treason after the first Shaba invasion in 1977. He is widely known and respected in the U.S., having spent several years with the United Nations in New York and Geneva.

President Mobutu has appointed the former governor of the central bank, Mr. Bwa Mwbeya Bofassa, to be Finance Minister, and the veteran politician Mr. Bo-Boliko LoKonga, to be Prime Minister. At the behest of the West, President Mobutu has staged a rapprochement between himself and President Agostinho Neto of neighbouring Angola. However, the hope that the Benguela railway line would reopen for traffic from Zaire and Zambia to the Angolan coast has been frustrated by Unita guerrilla forces operating in Angola. And the reshuffle of the Cabinet was dismissed by one western banker who said: "Shake up a can of worms and what do you get—dizzy worms."



The present stabilisation plan is the third which the IMF has presented to President Mobutu since 1975. But the degree of control which the president had to accept under the IMF was hard to accept for his supporters, especially his family. Diplomats say that he used the Shaba invasion of Zaire by Angolan-based rebels last June to prove that outside assistance was essential. The invasion was only repelled with the help of French paratroopers. Security in Shaba, an important mining province, is still assured by Moroccan and Senegalese troops.

After Shaba, western governments agreed to an emergency standby loan of $90m. But once the immediate danger had passed they were slow to pay up, according to the Zaireans. At a meeting in Brussels in November, Zaire announced that only one third of the promised aid had been received, though another third was in the pipeline.

The real purpose of that meeting had been to agree to the medium term investment plan which western governments had in July agreed to in principle. Zaire was disappointed. The western governments turned down a request for a further immediate $120m standby loan until the Kinshasa Government could decide on a firm list of priorities for the medium term investment plan and until agreement had been reached with the IMF on a stabilisation plan.

Observers agree that the West was playing hard to get while the IMF talks were going on. The idea, they said, was to squeeze Zaire as hard as possible. The IMF believed that the only way to put Zaire right was to impose draconian conditions on the loan and to insist that foreign advisers were attached to the central bank, the finance ministry and the customs and excise department.

Some of the conditions in the package have already been met. Herr Erwin Blumenthal and his four man team have been guiding the central bank since last year and have forced through certain measures. On November 29 a document was issued forbidding all credit to Mr. Litho Moboti, Mobutu's "uncle" and head of the family clan. This was followed on December 16 by another letter banning credit to 50 other Zairean companies, including some controlled by close friends of President Mobutu.

The zaire is still over-valued although it has fallen 50 per cent in value over the past six months thanks to gradual devaluation. The central bank has also insisted that it will hold 30 per cent of all export earnings to pay off foreign debt while the remainder is passed to the commercial banks with sectoral allocations: food imports, pharmaceuticals and other vital consumer goods (33 per cent), raw materials and spares (30 per cent), petrol (2 per cent) and non-priority goods (5 per cent).

After a long search the IMF has finally found someone prepared to take on the job at the Finance Ministry. Mr. Ismail Batuk will certainly be familiar with debt problems coming as he does from the Turkish Finance Ministry. Once he has his own team in place there will only be the Belgian team in the customs and excise department still to arrive. There have been problems, according to diplomats, about the extent of the powers they will have.

One of the big tasks for the team will be to stop the widespread violations of exchange control and other regulations. Recent reports that 200 tonnes of cobalt had been sold on the open market in defiance of supply contracts have not been denied. The sale is said to have netted £4m, half of which was used to buy French buses. The other half was paid into a private bank account.

It is an essential condition of the new IMF agreement that all foreign exchange transactions must pass through the central bank. The Government desperately needs foreign exchange to keep up with debt servicing payments which last year are said to have swallowed 38 per cent of export earnings. At the same time the falling value of the zaire has made essential food imports of about $300m a year far more expensive in local currency. Coupled with a drought in the Bas Zaire and Bandundu provinces it has led to widespread hunger and famine in places.

It is for that reason that the IMF package includes an unusual measure which guarantees essential imports if necessary on a credit basis. Even the U.S. which is divided over helping to keep President Mobutu in power is looking for ways to increase its aid programme to help the critical food shortage.

The U.S. is acutely aware of the importance of Zaire's cobalt. Zaire produces 80 per cent of the world's cobalt and has 700,000 tonnes of known world supplies of 1.1m tonnes. Cobalt is needed to make alloys which are used in jet engines. The U.S. is said to have only half the strategic stockpile it would like. Zaire's continued crisis has reduced output and pushed the price of the metal up from $6 or $7 a pound to nearly $42 a pound at present spot market prices.

Production in the mines so far this year offers little immediate hope. Provisional figures for February show cobalt 432 tonnes and copper 3,600 below target. Mining experts point out that Zaire's projections are usually hopelessly optimistic, yet it must be feared that any recovery will be long term.

The amount which is reaching the market matters more than output. So desperate is Zaire to keep the cobalt flowing that it runs a weekly charter flight of cobalt to Brussels. But despite the very high price of the metal that can be economic only for a small quantity.

Mines

Negotiations have started again between Zaire and the World Bank for a $200m loan to put the mines back into full production. Even so, forecasts for 1979 production are copper 350,000 tonnes (against 380,000 in 1978) and cobalt 10,000 tonnes (as against 11,000 in 1978). In addition, the rundown of the cobalt processing plant in Shaba has raised fears of poor quality cobalt being delivered which would require further, expensive, refining.

The fundamental problem remains whether the security of the mines, and of Zaire itself, can be guaranteed. The Inter-African Force, composed largely of Moroccans and Senegalese, has assured the security of the Shaba province since the French paratroopers left in July last year. But their mandate runs out around the middle of this year and an alternative must be found.

A recent six-week joint exercise of 250 Belgian paratroopers and the Zairean army proved that the Zaireans will be in no position to ensure the protection of the country for a long time. The Zairean army, which melted into the bush when the rebels invaded Shaba, remains ill-disciplined and erratically paid. It has been too frequently purged of suspected anti-Mobuto elements to form an effective fighting force.

The Belgian government strenuously denies reports that it has been trying to recruit white mercenaries in order to form a credible force for Shaba. But Kinshasa knows that without proper protection the expatriate workers will not return to the vulnerable Shaba province. Only 100 have gone back out of an original workforce of around 450 and they are not prepared to bring their families.

Present relations with the Belgian Government are said to be poor since President Mobutu complained that the Belgians were meddling with Zairean internal affairs. The subject of the complaint was the visit by M. Henri Simonet, the Belgian Foreign Minister, to Morocco where it was said he had talks about how long the Moroccan troops would stay in Shaba.

President Mobutu is said to be looking more to President Giscard d'Estaing of France to give him assistance. Ever since the French sent their paratroopers to Zaire to drive out the invading forces, diplomats say, President Mobutu has looked to France for a military solution to the security problem. But the Zairean idea of having a permanent European force defending Shaba has been shelved for political reasons.

The future stability of President Mobutu's regime depends on how quickly the financial reforms can be put into operation. With a rising tide of prosperity it is thought that confidence could be rekindled in what is still potentially one of Africa's richest countries.

Letters to the Editor

Bacon and the MCA system

From the Danish Minister of Agriculture

Sir,—Mr. L. Locke, director of the Bacon and Meat Manufacturers' Association, made some comments (March 15) about a speech I made in London on March 12. I do not think the letter gives a fair picture of the system of monetary compensatory amounts (MCA) and the Danish viewpoint.

First of all I would like to make it clear that Denmark all along has emphasised the need of dismantling MCAs. We think that the system in the long run leads to distortion of competition. In the short run, however, they have a stablising effect on prices and earnings offsetting sudden changes in the exchange rates.

But we must not forget why we have MCAs. The reason is that certain member countries have lacked the political will to adjust their exchange rate used in the agricultural sector (the green rate) to the exchange rate used in the sectors of the economy (the market rate). The resulting price differences between member countries is then ironed out by MCAs, without which the common agricultural policy could not function.

It is therefore misplaced to attack MCAs as such which are not a cause but a result of the existing situation. The only correct way of phasing out MCAs is of course to adjust the green rate to the market rate. Trying to reduce MCAs by manipulations in the calculation method is the same as attacking the symptoms not the disease itself.

As long as MCAs exist, however, nobody can deny that they work as a subsidy to consumers in the countries with a depreciated currency for example UK since prices are kept down. Likewise MCA's work as a subsidy to producers in countries with a revalued currency by keeping prices high.

Denmark alone does not have this distortion because we have always maintained equality between our green rate and our market rate of exchange.

What I said about UK bacon producers' difficulties and the way they might be solved is not different from what the British Price Commission stated in its report last year.

Niels Anker Kofoed.
Copenhagen, Denmark.

Elections and the EEC

From Muriel Grieve

Sir,—There seems to be a danger that the well known electoral games which British Governments play with the question of our membership of the Community will obscure the case which has emerged for a reassessment of the EEC's economic strategy and budget.

Some 78 per cent of EEC's budget is connected with forms of agricultural support at a time when plans and money for industrial restructuring are required. Unemployment within the Community totals some 6m, and there are probably about 3m to 4m who are underemployed, either in industries with slack demand, in forms of Governmental "job creation," or in types of part time "moonlighting."

The common agricultural policy is open to a number of criticisms. It is inflationary in terms of cost, reduces consumer choice and maintains inefficient forms of production. Even West Germany is beginning to think that British criticisms have some merit. These are important matters. We should not forget them just because of "electioneering."

But these criticisms are not necessarily arguments for Britain's withdrawal from membership of the EEC, nor did Prime Minister Callaghan argue this. What is needed now is frank discussion of the EEC's budgetary and policy imbalances, and, in effect, an end to the EEC being run largely in the interests of the agricultural vote of France and Germany. For this imbalance is preventing the EEC from moving forward either institutionally or in terms of encouraging trade regrowth.

Muriel J. Grieve
1, Coptic Street, WC1.

Surcharge by auctioneers

From Mr. H. Leggatt

Sir,—Mr. Andrew Faulds, MP, as a former Labour spokesman on the arts criticises (March 16) Sotheby's and Christie's for charging a 10 per cent premium to buyers at their auctions.

Conservatives view the premium with even more distaste since at the time of the introduction of VAT the Tory Chancellor of the Exchequer succumbed to the pleas of the auctioneers and certain influential art dealers that a tax of 10 per cent added to the hammer price would seriously undermine London's pre-eminence as the centre of the art trade of the world.

Having at that time successfully obtained relief from the full rigours of VAT, Sotheby's and Christie's decided two years later under a Socialist Administration to impose their own surcharge of precisely 10 per cent on the hammer price of works of art sold at their sales!

Hugh Leggatt,
Leggatt Brothers,
30, St. James's Street, SW1.

U.S. energy saving

From Mr. J. Weiner

Sir,—Your New York correspondent's final doubts (March 14) on America's determination to tackle its energy problems are surely indisputable with the cost of petrol still at 75 cents (37p) a gallon, though predicted to rise to $1 within a year. You yourself expressed some misgivings in your report from the U.S. (March 13) about "a society where . . . quite often" one had to turn the air conditioner on to cool the central heating which cannot be turned off!

As always the answer, however costly, is "all in the price" —half of that in the UK and one-third and less than in Europe and elsewhere. It is not credible that energy-profligate America will respond to regulation and/or rationing in a meaningful way. This time what is good for Detroit is *not* good for America.

But it is entirely credible that Americans paying the going rate for their energy will respond, as they have always done significantly, by saving it and going out to look for it. Perhaps we might even see a new domestic oil and energy rush!

John M. Weiner.
Manor Cottage, Oving,
Aylesbury, Bucks.

The Savonita affair

From the Editor, Lloyd's List

Sir,—Mr. Malcolm Pearson and I did agree on the terms of his article carried in Lloyd's List as a reply to the board of inquiry on the Savonita affair. This is contrary to the impression given in Men and Matters on March 15.

A not ungenerous 84 inches of our columns was given over to Mr. Pearson's article, and quite right too. The deletions made to Mr. Pearson's original article were accepted by him as having been made either on editorial grounds of length or because of my concern over possible defamation. Mr. Pearson believes, as he put it in a letter to me before publication of his article, that the reply we agreed was "fair and reasonable."

Sorry to appear pompous, but I must stress also that Lloyd's List is not the "official" newspaper of Lloyd's or of anybody else, any more than the Financial Times is the official newspaper of its ultimate owners. Lloyd's List is an international daily transport and business newspaper staffed by professional journalists with editorial freedom.

Roy Farndon.
Lloyd's of London Press,
Lloyd's,
Lime Street, EC3.

Make it or sell it

From the Chairman,
The Tourism Society.

Sir, — In a widely reported speech to the conference of the Food Manufacturers Federation (March 16) Sir James Goldsmith accused successive governments of starving the nation's productive sector, thereby creating unemployment and poverty, and pointed to Britain being "de-industrialised" as a result of the growth of service industries.

Elsewhere in his speech he spoke specifically of the "social" sector, but he did describe industry as the only sector which created wealth, and in doing so he appears to have joined the ranks of those who continue to draw a crude line between the respective merits of goods and services in the economy.

We have to accept that central and local government expenditure on education, health and social services, as well as various forms of administration does not create wealth but consumes it, and it has been argued by many that Britain has gone too far in this direction. A more meaningful distinction, however, has to be drawn between those who create wealth and those who do not, particularly as regards services. Several million people in Britain who are engaged in service industries produce marketable output. And it is many of these service industries which have been among the outstanding creators of wealth, contributing, for example, more than a third of Britain's earnings from abroad through invisible exports in recent years.

It is these service industries which have been heavily discriminated against in fiscal policies of successive governments without parallel in other countries. Yet they have been showing an impressive performance year after year. Britain depends increasingly on invisible exports of commercial and financial services, civil aviation, British architects, consulting engineers, contractors and others working overseas, and on earnings of authors and publishers, film and TV producers, and many others who are the modern equivalent of the trader of by-gone days.

Some 1.5m people in Britain owe their jobs directly or indirectly to tourism. Some 300,000 of the tourism-related jobs are in manufacturing and construction, and over 200,000 in professional and scientific services, public administration, and in insurance, banking and finance. And last year these people earned some £3bn in foreign currency from overseas visitors' expenditure in the country and from the fares they paid to British carriers.

To some of us the future of Britain lies less and less with manufacturing industries, except those which have competitive advantages over their rivals overseas, and more and more with service industries whose potential still remains to be fully realised.

The service industries offer a bright prospect as employers and as exporters, and in helping to improve the regional balance of the country, the lack of which is at the root of many of our problems. Is it too much to hope that we shall at last understand this and that we shall have the wisdom and the will to act on it?

Professor S. Medlik.
4, Grosvenor Gardens, SW1.

Gambling with inflation

From Mr. R. Marshall

Sir,—Mr. Michael Posner (March 16) blames recent volatility in financial markets on official techniques for gilt sales and on attempts to stabilise the money supply instead of the interest rate.

Of course markets are disorderly; gilts are for gamblers unless the rate of inflation can be forecast effectively. In the recent past pension and insurance funds have gambled and lost when unexpected inflation wiped out real yields and made them negative and in effect a subsidy to the public sector. With sterling on a better oil standard than the dollar, events in Iran helped swing the delicate balance of international opinion on sterling and gave the institutions a chance to gamble for some recovery of past losses on gilts. To stabilise the interest rate Mr. Posner must first tell us how to stabilise inflation and forms of uneconomic growth (whether money supply, wage claims, or the borrowing requirement).

I would expect partially-indexed gilts to be a possible way to stabilise and reduce interest rates, but the example of Israel shows that it has dangers unless repayments are made. Tendering for gilts may avoid some of the disorders in the market, but it will not solve the fundamental problem of the gamble. What are Mr. Posner's solutions?

R. C. Marshall,
Accountant.
The Nuffield Foundation,
Nuffield Lodge,
Regents Park, NW1.

Today's Events

GENERAL

UK: Institute of Directors' annual conference, Royal Albert Hall, London.

Civil Service unions meet Lord Peart, Lord Privy Seal, to discuss pay dispute.

Mr. Roy Mason, Northern Ireland Secretary, speaks on industrial opportunities in Northern Ireland, Midland Hotel, Manchester.

Hansard Society for Parliamentary Government publishes report on politics and industry.

Mr. Anthony Wedgwood Benn, Energy Secretary, addresses Edge Hill by-election meeting, Liverpool.

CBI conference on India 1979 covering trade and investment, Tothill Street, SW1.

The Queen holds investiture at Buckingham Palace.

Overseas: EEC Budget Council meets in Brussels.

U.S. Treasury sells 1.5m ounces of gold.

King Carl Gustaf and Queen Silvia of Sweden arrive in Bonn on seven-day state visit.

OFFICIAL STATISTICS

Department of Employment publishes March provisional figures for unemployment and unfilled vacancies. Fourth quarter provisional gross domestic product. January new construction orders.

PARLIAMENTARY BUSINESS

House of Commons: Proceedings on the Administration of Justice (Emergency Provisions) Scotland Bill. Motions on EEC documents on energy policy.

House of Lords: Kiribati Independence Bill, report. Banking Bill, committee stage. Debate on the 11th report of the EEC on State aids for steel.

Select Committee: Joint committee on Statutory Instruments. Room 4, 4.15 pm.

COMPANY RESULTS

Final dividends: Bemrose Corporation. Hepworth Ceramic Holdings. Inveresk Group. Metal Closures Group. George Spencer. Watmoughs (Holdings). Willis Faber. Interim dividends: Sidney C. Banks. Equity Income Trust. Fairview Estates. Lawtex. London Scottish Finance Corporation. Park Place Investments. Pressal Holdings. Waring and Gillow (Holdings).

COMPANY MEETINGS

See Company News, Page 21

UK COMPANY NEWS

Barratt profit doubled to £8.2m at mid-year

DOUBLED PROFITS are reported by **Barratt Developments** for the six months ended December 31, 1978. With turnover higher at £75.45m compared with £54.15m, pre-tax surplus jumped from £4.09m to £8.16m. In the previous full year a record £11.17m was achieved.

The mid-term result included profits from land sales of £156,000 (£49,000), while no tax is payable compared with a £537,000 charge last time.

The net interim dividend is stepped up from 2.64p to 2.9p per 10p share—for the 1977-78 year, payments totalled 8.1796p.

The directors state that in private housebuilding, the group's margins are continuing to improve and it has further increased its market share.

Although problems continue to exist in this sector, in particular in the supply of mortgages, the group anticipates making further major progress over the ensuing period.

The land bank has been substantially expanded by the acquisition of further prime sites particularly in the South of England and the Midlands. Sales demand is extremely buoyant.

The property investment programme is making excellent progress, the directors state, and the number of projects now underway will add substantially to the portfolio and future rental income.

The group has continued its involvement in contracting, although this sector has not had a significant effect on the half-year's profit.

Profit of the recently acquired Birmingham-based, Ash Homes has been included from September 1, and the full benefit to the group will be reflected next year.

The group's financial position remains extremely stable with unutilised bank facilities of over £30m.

HIGHLIGHTS

The long drawn out battle between Sime Darby and Guthrie is drawing towards a climax—Lex discusses prospects for the outcome and also looks at the sharp decline in profits at Morgan Grenfell which provides a stark contrast to the surge forward by Kleinwort Benson last week. Elsewhere Lex discusses the disappointing outcome of the bid talks between Rockwell and Wilmot Breedon and comments on the jump in half time profits from Barratt Developments. Pittard's full year profits have not lived up to the company's indications at the time of the half year figures and the year's profits are down 37 per cent. Second half profits at Expanded Metal show a two-fifths increase but still the full year figure looks flat despite investment income of £250,000 from 1977's rights issue proceeds.

J. Fisher second half downturn

A SECOND half downturn from £1.3m to £930,381 left taxable profits of James Fisher and Sons, shipowner, ship and insurance broker, virtually unchanged at £2.25m for the 1978 year against a previous £2.23m. Turnover rose from £8.96m to £10.64m.

At the interim stage the directors said they hoped the advance in earnings would extend into the second half but they felt that some effect had to be expected from seasonal trade fall-off.

Profit for the year included a £125,890 (£857,113) extraordinary profit from the sale of assets, interest and dividends received £290,121 (£258,472), and was struck after a much higher interest charge of £807,060 (£141,769).

Tax for the year took £84,027 (£183,823 credit). Earnings are shown as 27.06p (30.29p) per 25p share and the dividend is lifted to 1.703p (1.5367p) net with a final of 0.843p. Also proposed is a one-for-two scrip issue, the directors say it should not be inferred that any greater dividend will be made as a result of this issue.

L. B. Holliday finishes £0.28m lower

Taxable profit fell £279,399 to £74,791 at L. B. Holliday (Holdings), aniline dye maker, for the year to July 1, 1978, on sales marginally lower at £13.41m, against £13.69m. There is no final dividend leaving the total at 5.5p per £1 share.

The surplus was struck after interest of £256,330 (£392,537) and tax took £317,483 (£530,088) for a net balance down from £324,103 to £257,308.

Courtney Pope sees record

Pre-tax profit of Courtney Pope (Holdings) increased from £381,000 to £425,000 for the half year to November 30, 1978, and the directors are confident of a further advance for the full year.

For the 1977-78 year profits were ahead from £732,125 to a record £841,594.

Turnover for the half year was little changed at £8.43m against £8.27m and pre-tax figures were subject to tax of £149,000 (£126,000). Earnings per 20p share of this shopfitting and electrical group are shown as 5.65p (5.22p).

The interim dividend is raised from 1p to 1.2p net and the directors anticipate the final payment will be increased to 2.6588p (1.4171p).

Gillett Bros. commercial bills upswing

The bill business represented the most successful part of the operations of Gillett Brothers Discount Company in the year ended January 31, 1979, despite the fact that all parts of the business felt the impact of rising rates, reports the chairman, Mr. Ian Logie. Purchases of commercial bills reached a record.

As reported on February 22, net profit of the group in 1978-79 fell from the exceptional £1,013,655 to £212,932. The dividend, however, is raised to the maximum 16.951p.

Mr. Logie explains that the satisfactory level of margins of profit earned on financing assets in normal trading throughout the period were more than offset by the capital losses that followed each upward adjustment in interest rates.

The trend of Euro-dollar rates has been upwards and, "we have avoided taking positions." Business and turnover has been at a low ebb and a return to profits on any scale must await a turndown in U.S. and Euro-dollar interest rates.

At January 31, shareholders' funds stood at £4.64m (£4.89m). Secured loans were £196.66m (£222.23m) and deposits, etc., £15m (£14.92m).

Freddie Mansfield

Mr. John Pittard, chairman of the Pittard Group, with some of the company's leather products . . . the current order position is 30 per cent higher.

Pittard down but starts year well

INCREASED imports of subsidised leather from Brazil, Argentina and India have affected profits of Pittard Group for 1978. Pre-tax profits of this leather tanner and dyer concern have dropped from £1.89m to £1.06m after £582,387 against £1.14m at the halfway stage. Turnover fell slightly from £17.16m to £16m.

Mr. C. J. Pittard, chairman, states that while the demand for leather products worldwide continues to be good, the group's market situation remains very competitive: "nevertheless, despite the adverse trading conditions, the year has started reasonably well for your company."

The order position is currently 30 per cent higher than at the same time last year, with over half being for export. He believes the first half profit will exceed last year's figure.

After much lower tax, £142,194 compared with £683,987, earnings are shown as 11.9p (13.8p) per 25p share on net profits of £922,251 (£1.01m). The dividend is stepped up to 3.0964p (2.7974p) net with a final payment of 1.87075p.

Accounting policy for deferred tax was changed; the charge has been calculated on the liability method, but no provision is made unless there is a reasonable probability of payment in the foreseeable future. Comparatives have been restated.

Mr. Pittard explains, that Brazil, Argentina and India ban the export of raw material and this has put greater demand on the supplies from the remaining hide and skin markets in Europe, North America and Australia.

In the latter half of 1978 substantial quantities of hides were purchased by Eastern European countries, he says, "and in consequence the price of hides has increased since the autumn by 100 per cent."

The fall in the value of the U.S. and Canadian dollars against sterling adversely affected sales to these markets, as well as to certain other inter-related ones, the shortfall in total sales being overseas, while UK sales increased.

	1978 £	1977 £
Sales	15,935,759	17,159,720
Trading profit	1,328,942	1,977,082
Depreciation	244,497	204,859
Exceptional debit	—	*78,000
Pre-tax profit	1,064,445	1,694,223
Taxation	142,194	683,987
Net profit	922,251	1,010,236
Preference dividend	51,455	—
Interim ordinary	87,045	78,338
Additional†	1,654	1,671
Final proposed	132,963	118,685

* Pension provision. † For previous years.

● comment

Pittard has not been able to live up to its forecast that second half profits would exceed those of the first six months, and the full-year figure shows a 40 per cent downturn. With overseas market chipping in just over a third of group sales, the strength of sterling is obviously a depressing factor but the main problem continues to be the uncomfortably high level of subsidised imports. Also, the sharp jump in hide prices towards the end of the year increased stock levels by over a quarter to around £6.2m and net borrowings shot up to about £3m, compared with shareholders' funds of £6.9m. Prospects for the current year look somewhat better, however, although the problem of cheap imports has not yet been solved. Since the year end stocks have been reduced and the company is hopeful that raw material prices will drop now that the Eastern European countries have stopped buying. Also, the shoe industry, which takes 50 per cent of total leather production, is buoyant, and export orders are rising again. At 52p the shares look fairly valued with a yield of 9.2 per cent while the p/e is 4.2 (low tax charge).

New accounting date for Assoc. Newspaper

The directors of Associated Newspaper Group have decided to change the accounting date to September 30 for the holding company and all its subsidiaries. The new date is the most convenient for drawing up annual accounts.

The change has been made because SSAP14 states that, where practicable, the accounts of all subsidiaries should be prepared to the same accounting date and for identical periods to that of the holding company.

The group's accounting date is currently March 31, and consolidated accounts incorporate all principal trading subsidiaries' results to the preceding December 31—except Blackfriars Oil Company, the accounts of which are to March 31.

The group's current year will be extended to September 30, 1979. A second interim report with the results to March 31, 1979, will be published in late June, following which the directors propose to pay a second interim in respect of the period to September 30 1979.

The preliminary announcement of the results for this period, with final dividend, are planned to be made in January 1980.

In future, the directors intend to announce in late June the half-yearly results to March 31 and to declare an interim dividend for the year to September 30.

R. GREEN PROPS.

Profits, before tax, of R. Green Properties rose by £199,000 to £591,000 in the half year ended December 31, 1978. In Saturday's report the headline incorrectly gave the increase as £392,000.

Weaker banking depresses Morgan Grenfell profit

IN DORMANT domestic capital markets and unstable sterling money markets the performance of **Morgan Grenfell Holdings**, the unquoted banking and finance group, weakened in 1978 from the previous year's record level. Group profit after tax and transfer to inner reserves by certain banking subsidiaries, was down from £5.18m to £3.69m.

The decline was foreshadowed in the 1977 annual report and expansion in deposits, loan portfolio and footings generally continued according to plan, says Mr. J. E. H. Collins, the chairman.

"It will be seen that such expansion has been achieved without impairing, in any way, our traditionally high level of liquidity," he says.

With cash and money at call ahead to £192.9m (£164.4m) and money at short notice at £193.8m (£75.1m) current assets were up from £474.6m to £584.9m. Loans advances and other accounts amounted to £282.2m (£244.5m) while current deposits and other accounts, including provision for tax etc., stood at £853.9m (£706.2m).

These increases helped take the total at the foot of the balance sheet 21 per cent higher to over £1bn.

The surplus generated by the group; excluding its banking offshoots, was up from £903,111 to £1.3m on turnover of £7.01m (£4.49m).

Last year's group total profit is shown before share of associates of £0.29m.

Unusually favourable circumstances in the UK financial markets and a swift fall in interest rates were among the reasons for the exceptional rise in group profit last year from a high of £2.5m in 1976.

Earnings by the group's subsidiaries in Switzerland, Singapore and the Channel Islands has continued to grow and the new Australian company produced a profit in its first year of operation.

A net final dividend of 3.146p takes the total to 5.946p (5.23p) per £1 share. As forecast at the time of the rights issue in May the gross equivalent is lifted 12 per cent to 8.875p. Ordinary dividends cost £0.63m (£4.42m).

The corporate finance division was busier than ever in merger and acquisition activity but there was little new issue business: corporate liquidity in the UK has on the whole been high enough to fund current levels of private sector industrial investment.

Money from financial institutions is abundantly available for industry but, because of Government competition for it, only at an unacceptable price; consequently neither issuing activity, nor the industrial development which demands it, can be expected to recover until the public sector borrowing requirement is significantly reduced, Mr. Collins comments.

Internationalisation of the company's business continued and since year end its divisional structure has been reorganised to form, among other things, an international division handling eurocurrency banking export finance and project finance etc.

Additionally some of the corporate finance division's acquisition business has been on behalf of international clients and much of the new business of the investment division, whose funds under management now total £1.5bn comes from overseas.

The company's Tehran office has been put on a care and maintenance basis and its Iranian credit exposure is small, amply covered by this year's routine transfer to inner reserves, the chairman adds.

DIVIDENDS ANNOUNCED

	Current payment	Date of payment	Corresponding div.	Total for year	Total last year
Barratt Devlpts. ...int.	2.9	May 30	2.64	—	8.18
Chambers & Fargus int.	0.25	—	nil	—	0.49
Expanded Metal	2.35	—	2.05	4.1	3.68
J. Fisher	0.48	—	0.77	1.7	1.51
Harrisons Malay ...int.	1.5	May 1	1.25	—	4
Jardine Japan	1	—	0.85	1	0.85
Medminster ...int.	1	Apr. 10	0.9	—	2.03
Pittard Grp.	1.87	May 11	1.67	3.1	2.8
Relvon PBWS	2.82	May 29	2.6	4.57	4.1
Tate of Leeds	1.25	May 1	0.63	1.25	0.93

Dividends shown pence per share net except where otherwise stated.
* Equivalent after allowing for scrip issue. † On capital increased by rights and/or acquisition issues.

Strong & Fisher trend to continue

Mr. E. D. G. Davies, chairman of Strong and Fisher (Holdings) clothing and fashion leather tanner company says in his interim statement that despite some minor disruptions experienced during recent months, from the bad weather and external industrial disputes, the group is presently working at maximum capacity.

The directors anticipate that the trend of profits of the first six months will continue: "reflecting the present exceptional demand for the company's products."

As reported on March 9 pre-tax profits for the half-year to December 1 1978 more than doubled from £371,700 to £768,000.

Merchant Investors expands

MANAGED FUNDS of Merchant Investors Assurance Company have climbed more than £34m to over £80m since the company was acquired by Nationale-Nederlanden, Holland's largest insurance group, in September 1976.

The 1978 investment funds report shows that the most successful fund was the property fund: up £7m to £23.8m. The unit price over the year rose 15.2 per cent on the life fund and 19.9 per cent on the pension fund. Annual rental income doubled to £1.14m and 17 properties were purchased for £8.8m.

The generally dull UK equity and gilts markets were reflected in funds performance. Equity fund value increased slightly to £4.4m by year end, the life fund unit price was down 0.7 per cent and pension fund was only 0.6 per cent higher. However this hid a better second half where the units prices were up 6 per cent and 6.7 per cent respectively.

The money market fund remained highly liquid during the year's depressed market conditions and the fund remained unchanged at almost £3m. The unit price fell 1.6 per cent on the life fund and increased 0.4 per cent on the money market fund over the 12 months. Since year end, the fund have moved totally into gilts, in early February, to benefit from the recent surge in gilt prices.

The company launched two international funds in 1978—an international equity fund and an international managed fund. The main investment emphasis of these funds has been U.S. equities, the investment being financed by back-to-back loans.

UK COMPANY NEWS

Cambridge Instrument sets its target

ALTHOUGH THE Board of Cambridge Instrument does not see a rapid achievement of satisfactory profitability, it aims to produce a 20 per cent return on capital in the period 1981-84. The NEB controls 87 per cent of the company's voting equity.

In his annual report, Mr. M. Cole, chairman and chief executive, says, "The right steps have been taken and considerable progress is being made towards stemming losses and getting the group into profit."

But some of these measures will take some time to yield their full effect; and in the current year the group will incur a loss, the size of which will be increased by the weakness of the dollar and high interest rates.

Mr. Cole says the Electron Microscope business faces intense competition from abroad, and this is holding down prices and therefore margins. Cost reduction programmes have been initiated and their impact on margins will be felt progressively.

Other parts of the business, however, "look promising," particularly the Electron Beam Micro-fabrication and Semiconductor sides.

In the year ended June 30, 1978, the group loss increased from £2.94m to £3.33m, with interest charges being doubled to £1.05m. Turnover rose by nearly £3m to £20.38m.

The Board is confident that it is now able to establish reliable product costs and has been able to valuet stocks more accurately. The June 30, 1978, stocks figure of £7.78m is considered reliable. In the previous year uncertainty was expressed to the value of stocks (shown at £6.83m), and it is not possible to state with any accuracy to what extent the losses of 1978 relate to the previous year.

The auditors point out that in 1977 accounts they had been unable to verify satisfactorily the basis of valuation of stocks to the extent of £1.5m, and state that to the extent that there was any error in the valuation of stocks at that date, losses will have been misallocated between the years ended June 30, 1977, and June 30, 1978."

In this year's accounts a further £400,000 was written off stock

● comment

The National Enterprise Board seems committed to seeing Cambridge Instruments through its considerable difficulties: the appointment of a new managing director will presumably be followed by the provision of new cash. The group is talking of a 20 per cent return on capital employed by 1981/84—any profit would be welcome but at June 30 last year loan capital and shareholders' funds came to less than £4m, having been consumed by accumulated losses. Since then the NEB has provided another £3m of equity and there has been £0.3m of fund raising from loan refinancing. But the repayment of NEB loans has eaten up £1.5m of this end, if the group was making losses at anything like the 1977/78 rate in the first half of 1978/79, the remainder must have vanished by now.

BOARD MEETINGS

The following companies have notified dates of Board meetings to the Stock Exchange. Such meetings are usually held for the purpose of considering dividends. Official indications are not available as to whether dividends are interims or finals and the sub-divisions shown below are based mainly on last year's timetable.

TODAY

Interims—Amalgamated Tin Mines of Nigeria, Sidney C. Banks, Equity Income Trust, Fairview Estates, Lawtex, London Scottish Finance, Park Place Investments, Pressac, Waring and Gillow, Yarrow.

Finals—Bemrose Corporation, Hepworth Ceramic, Inveresk, Metal Closures, Reunion Properties, George Spencer, Tomatin Distillers, Watmoughs, Western Motor, Willis Faber.

FUTURE DATES

Interims—

BPM Holdings	Mar. 28
Casket (S.)	Apr. 19
City and International Trust	Mar. 27
Kalamazoo	Apr. 11
Mucklow (A. and J.)	Mar. 23

Finals—

PBA	Mar. 29
Comben	Mar. 21
KCA	Apr. 2
London and Manchester Assur.	Mar. 21
Miller (F.) (Textiles)	Apr. 6

Winding up orders

Orders for the compulsory winding up of 50 companies were made by Mr. Justice Vinelott in the High Court.

They were: Micron Property Conversions; Dalecentre; Worfield Construction; Enfield Film and Photographic Services; Supreme Fire Appliances; D. J. Morgan Engineering (Caithdene) and John Willment (Kingston).

John Willment (Mitcham); Polyplim; Robert Michaels (Decorators); The Whitley Mending Co.; Marlborough Developments; Callowview; Brylglen and Hatfield Town Football Club.

Reg. Hopkins (Contracting); Ronden Plant Hire Company; Hare and Lister; Ashcell; Eanhurst and Gemini Restaurant.

Glorihesth; Pressglen; Ransom Gallery; Sparlair; Ainsley Fabrications; Hamm and Turner; Groberts and Totteridge Property.

Sunbell Investment Co.; Impala Marine; Hoe Street Motor Company; RPN Management Services; Elsdons of Pembroke; Wyvern Trading (Exeter) and Arcadian Florists (Brighton).

Swedish Turnery and Plywood Company; D. Sheehan (Haulage); Jonsware; C. and J. Demolition (Croydon); Calaron and J. G. Besgrove.

Morgan Kinsey; Carter Brothers (Builders); Texgar; Merehouse; Chartwell Cabinets; Tussini; Stockcity and Adobi Organisation.

Second half downturn for Noble & Lund

A second half downturn from £121,443 to £71,803 left taxable profits of Noble and Lund, engineer and machine tool maker, behind at £172,371 for 1978 against a previous £214,843. Turnover was up slightly from £3m to £2.22m.

After tax of £78.537 (£80,703) earnings are shown as 1.64p (2.35p) per 10p share on net profits of £93,834 (£134,140).

A final dividend payment of 0.6125p (0.539p) net lifts the total from 0.77p to 0.847p.

Relyon profits rise to £1.5m

TAXABLE PROFITS of Relyon PBWS, manufacturer of mattresses, divans, etc., rose from £1.29m to £1.49m in 1978, on higher sales of £10.12m compared with £9.04m.

At halfway, when profits were up from £586,000 to £707,000, on sales of £4.96m (£4.52m), the directors said the results emphasised the continuing success of the group. And, in view of the satisfactory order book, they were confident the year as a whole would reflect this.

After tax of £794,575 (£687,922), earnings per 25p share are shown higher at 10.61p compared with 9.24p. The net final dividend is lifted from 2.5954p to 2.8232p, making 4.5732p (4.0954p).

Profits rise for Refuge Assurance

Profits after tax of Refuge Assurance Company for 1978 came out ahead at £2.08m compared with a previous £1.83m and, subject to Treasury consent, the directors are lifting the dividend from 8.1p to 9.2p net per 5p share with a final of 6.2p.

Premium income from the industrial branch was up from £28.24m to £31.79m; and from the ordinary branch from £16.16m to £17.62m. From the fire and accident branch premiums rose to £5.92m against £4.32m.

From the industrial branch there was a £1.07m (£925,000) transfer to profit and loss; from the ordinary branch £855,000 (£750,000), and £50,000 (same) was transferred from fire and accident.

Norvic Secs. improves in second half

Including a £154,540 Temporary Employment Subsidy for 1978 against £192,065 previously, trading profits of Norvic Securities investment holding company, came out at £154.328 compared with £201,687. And after a lower profit on disposals of investments, down from £61,578 to £9,005, taxable profits were £115,333 against £215,265.

At the interim stage directors reported a trading loss of £79,000 (£120,000 profit) but they expected a distinct improvement in second half results—at the pre-tax level loss was £94,000 (£137,000 profit).

External sales for the year, excluding investment sales, were little changed at £14.8m (£14.4m) and were split as to, UK £12.81m (£10.4m), and exports £1.98m (£3.88m).

The final and only dividend is 0.8p which compares with a total of 2.2p.

Tax for the year took £32.780 (£81,719), essentially representing ACT, and after preference dividends and an extraordinary credit £21.483 (£19,132 debit), the attributable balance came out at £99.731 against £110,109.

The directors consider the deferred tax provision to be unnecessary; some £238,235 has been transferred to retained profits.

Expamet reaches £2.32m after better second half

A SECOND-HALF recovery in taxable profits from £0.98m to £1.37m in 1978 lifted full year surplus of Expanded Metal Company to £2.32m compared to £2.22m.

Reporting lower profits of £0.95m (£1.24m) at halfway, the directors said the second half had started well and if the trend continued, full-year profit would not be less than 1977.

Turnover for 1978 of this group, which has interests in the manufacture and sale of expanded metal and other products, and steel stockholding and processing, was £23.6m against £23.15m.

Stated earnings per 25p share are shown lower at 7.72p, against 8.77p. The net total dividend is lifted from 3.675p to 4.095375p, with a final of 2.345375p. Net asset value is 92.22p compared with 76.74p. Net profit comes through unchanged at £1.59m.

The improvement in taxable profits, say the directors, was largely offset by an increase in start-up losses involved in establishing new business overseas and the cost of new technical developments in the UK which together totalled some £500,000.

The directors say there is a strong liquid position, with cash and deposits at £3.18m and total borrowings of £736,000.

The group acquired Press-Bat Holdings, and Bat Lintels and Sections in February.

● comment

Expanded Metal's flat profits performance admittedly conceals a two-fifths advance in the second six months. This improvement, however, does not really reflect better trading conditions and while losses from steel stockholding have undoubtedly been reduced over the period, the second half increase probably owes more to the timing of price rises. Meanwhile, EM's healthy cash balances have contributed perhaps £0.25m at the pre-tax level thanks in part to the rights issue of May, 1977, earnings are almost half what they were two years ago. Moreover, the outlook at this stage is by no means healthy. Steel stockholding should at least break into profit in the current year but as yet shows little sign of making a decent return on capital; bad weather and strikes have recently hit the important construction sector and the U.S. venture will only break even in the current period. Acquisitions on the other hand, should add roughly £½m to profits and it is here that the company will look for growth while developments elsewhere come on stream. At 85p the shares are on a demanding rating of 10.7 given the group's dull short-term prospects but the yield of 7.4 per cent provides useful support.

Finance & Industrial Tst. over £53,000

Profit of Finance and Industrial Trust, a subsidiary of Harmer Finance, for the half year to January 31, 1979, was higher at £53,664, against £49,073, before tax of £27,905 compared with £25,517.

Increases in rental income continue to be negotiated and should be reflected in the second half results the directors say. For the whole of 1977-78 profit was £102,000.

The Board is confident that a further increase in dividends on the 1.1p net paid last time, should be possible later in the current year.

Turnover by the company, a finance and investment dealing concern, reached £96,129 (£80,748).

Considerable repayments relating to development finance activities had caused another fall in income in that division but this trend has now been reversed, the directors state.

Medminster up in first half

Profits before tax of Medminster advanced from £78,445 to £96,320 for the six months to December 31, 1978, on turnover of £2,375,312 against £2,039,764.

Tax takes £54,750 (£45,500), while the net interim dividend is raised from 0.9p to 1p per 10p share—the previous year's final was 1.12665p.

The group's activities are furniture hire and sale shipping and forwarding.

Jardine Japan improvement

After tax profit of Jardine Japan Investment Trust rose from £104,209 to £135.693 for 1978 for earnings per 25p share of 1.36p. Net asset value, which was up 48 per cent at year end at 215p, had reached 223p by February 28 this year.

Net dividend is increased to 1p (0.85p). The surplus is shown after tax this time of £142,855.

Tate of Leeds ahead to record £480,000

WITH A rise from £189,228 to £281,234 in the second half, pre-tax profits of Tate of Leeds, motor distributor and Ford main dealer, were a record £480,679 for 1978, compared with the previous year's £340,122. Turnover improved from £12.72m to £13.06m.

At midway, the directors said that a shortage of products from Ford had restricted profitability and they warned that the strike there would not improve final quarter prospects. However, the full year result was still expected to be a record.

With Treasury approval, the net dividend is doubled from .625p to 1.25p per 25p share.

Profits were struck after interest of £204,536 (£200,109), but were before a tax credit of £.482 (£71,158 charge).

with £519,000 for the previous 15 months.

Th edividend is 0.4p net per 10p share against 0.45p in the previous period.

Tax takes £95,000 (adjusted £77,000), charged along the lines of S.S.A.P. 15.

The group's interests are in electricals, clayware, property and engineering.

Increase for Coronet

Profits before tax of Coronet Industrial Securities increased to £532,000 for the year ended September 30, 1978, compared

Today's company meetings

Associated Paper Industries, Abercorn Rooms, Great Eastern Hotel, EC, 12.30. Leda Investment Trust, 44 Bloomsbury Square, WC, 11. Lincroft Kilgour, Institute of Directors, 116 Pall Mall, SW, 12.30. Y. J. Lovell, Portman Hotel, Portman Square, W, 3. Meldrum Investment Trust, 2 St. Mary Axe, EC, 11.30. F. Pratt, Grosvenor House, Park Lane, W, 12. Throgmorton Trust, 25 Milk Street, EC, 12.30.

MINING NEWS

Noranda purchase marks revival of confidence

BY PAUL CHEESERIGHT

NORANDA EXPLORATION, a U.S. subsidiary of Noranda Mines of Toronto, intends to re-open the Lakeshore copper mine in Arizona within the next six months. The mine was formerly owned by two U.S. companies, Hecla Mining and El Paso Natural Gas.

The intention, linked with Noranda moves towards expansion in Australia, Chile and Canada itself, shows that the group is moving strongly into an expansionist phase. This is taking place against a background of more intense industry exploration activity in Canada, indicating a revival of confidence after years of recession.

Lakeshore is a large but low grade copper deposit, situated 30 miles south of Casa Grande, between Tucson and Phoenix. It was brought to production by Hecla and El Paso in 1976 but operations were stopped a year later in the face of low prices. The mining lease was dropped last year and the operation advertised for sale.

The mine is on the Papago Indian reservation and Noranda has reached agreement with the tribe for development and mining at an initial cost of \$1.64m (£807,200). The plant is being bought from Hcla and El Paso for an undisclosed price.

The Lakeshore orebody is mined in two sections. Hecla and El Paso mined both underground oxide and sulphide ores at the rate of 16,000 tons a day, but Noranda will at the start mine only the oxide ore.

Noranda's announcement is the third in the last month of plans to re-open closed copper properties in Arizona. Cyprus Mines is planning limited production at the Pima Mina, while Duval is to resume operations at Esperanza.

The Noranda board is meanwhile being recommended to bring to production a joint venture with MacDonald Mines at the Les Mines Gallen zinc-copper silver gold property in Quebec. A decision is likely by the middle of the year on an operation for 1,500 tons of ore production a day and a capital investment in excess of C\$6m (£2.25m).

And, at another venture, this month sees the deadline for Noranda to decide whether to invest \$350m (£172.37m) in developing the Andacollo copper deposit in Chile. In Australia the group has recently published a draft environmental statement as part of the process towards winning official approval for uranium production at the Koongarra deposit in the Northern Territory.

Following a sharp increase in annual profits last year, when net income rose to C\$135.2m (£56.79m) from C\$71.8m in 1977, Noranda is boosting its 1979 exploration budget to C\$7.0m. Its exploration programme embraces uranium in the Northwest Territories and Saskatchewan and base metals in Ontario, Quebec and the maritime provinces.

The vigour of the Noranda exploration programme is by no means uncommon in Canada. A survey of 46 companies or groups of companies carried out by the Northern Miner newspaper showed that only four would have smaller explorations budgets this year.

Losses are climbing at LKAB

BY WILLIAM DULLFORCE IN STOCKHOLM

LKAB, THE Swedish State iron mining company, made a pre-tax loss of SKr675m (£76.1m) on a SKr 1.9bn turnover last year. Sales climbed by 11 per cent but the loss is more than SKr 50m heavier than that recorded in 1977. It is slightly larger than that forecast in the eight-month interim report.

However, the Swedish Government proposes to refinance the company starting with the SKr 500m in new share capital injected last year, and Mr. Sven Johansson, the managing director, believes the profit slump can be reversed in 1979.

The SKr 499m operating loss after planned depreciation recorded last year can be reduced by some SKr 200m, he believes.

The ore prices obtained by LKAB in 1978 were 13 per cent lower than in 1977 and 23 per cent lower than in 1976. Prices were also adversely affected by the decline in the value of the U.S. dollar.

The result could have been worse, had not the management been able to cut costs by over SKr 200m from 1977. They were more than SKr 100m below the budgeted level.

LKAB has obtained some price increases this year but Mr. Johansson describes them as being still inadequate and he also points to the continuing weakness of the dollar.

More favourable factors are that production at the mines should grow after the de-stocking which took place in 1978 and that LKAB has negotiated a better agreement with the Swedish State railways for the transport of its ores.

GOLD OUTPUT UP AGAIN

South African gold production continued to improve in February with total output of 1,845,590 ounces compared with 1,831,191 in January and 1,769,154 ounces in December, according to the Chamber of Mines.

The two-months total of 3,676,781 ounces — against 3,608,291 ounces in the same period in 1978—is thus showing signs of a moderate increase in production from the 16-year low level achieved in 1977 and the slightly higher figure of 1978.

However, the outlook for March is less favourable owing to the recent week-long strike by members of the Mineworkers Union, although the South African mining houses maintain that production losses during the strike were not significant.

Added to this is the continuing firmness of the bullion price—yesterday it closed at \$242.875 per ounce—which encourages the mining of lower grade ore, coupled with declining productivity because of the shorter working fortnight.

PEGMIN STRIKES URANIUM

Pegmin, the Sydney exploration company, has applied for a mineral claim and an exploration licence over a site in the Eastern Yorke Peninsula of South Australia, where grab samples taken at an abandoned copper mine have revealed high uranium grades.

A statement, made in Adelaide yesterday, said that one of the four grab samples had graded 602 lb of uranium per ton of ore and 3.2 per cent copper. Of the other three samples, two had significant grades: 452 lb uranium and 2.1 per cent copper and 94 lb uranium and 0.4 per cent copper.

The mineralisation occurred as pitchblende, a uranium bearing ore. No technical comment from Pegmin was available but Australian geologists noted that the sort of grades Pegmin found were not unknown, particularly in pitchblende, but they were not necessarily indicative of the average uranium grade at a deposit.

Pegmin shares are rarely traded in London and they attracted no attention yesterday. Their notional price is about 5p.

ROUND-UP

Pacific Coper announced in Sydney that it had entered a joint venture with Offshore Oil to explore for coal in a 210 square km. area about 100 km south-east of Brisbane. Detailed geological mapping has started, and Offshore is the operator.

A package of finance has been put together to fund a \$10m (£4.9m) expansion programme at the Uchuccacua silver mine of Companhia de Minas Duenaventura in Perus. International Finance Corporation, the World Bank affiliate, is loaning \$2.0m. Other cash includes \$2.0m from Banco Minero of Peru and \$1.0m. from Wells Fargo Bank of the U.S.

Helped by higher prices, Giant Yellowknife Mines, the leading Canadian gold producer, controlled by Falconbridge, had a net income of C\$3.7m (£1.55m) last year, against C\$2.5m in 1977. The firm bullion market has had the effect of increasing reserves of low grade ore.

MINING BRIEFS

GOLD AND BASE METAL MINES—Output of tin concentrates (73 per cent grade) for February: 26 tonnes. Two months ended February 28 50 tonnes. Same period previous year 47 tonnes.

ELECTROLYTIC ZINC—
Production Statement

	Four weeks ended March 7	Feb. 7
	(figs. in tonnes)	
Risdon		
Zinc	15,288	14,448
West Coast Mines		
Ore milled	58,837	54,619
Lead concentrate produced	1,406	1,775
Zinc Concentrate produced	10,046	10,234
Copper concentrate produced	1,418	1,934

OIL AND GAS NEWS

Esso-BHP to expand Bass Strait production by 6%

BY JAMES FORTH IN SYDNEY

AUSTRALIA'S major oil producers, Esso and Broken Hill Proprietary plan to lift their crude oil production by 6 per cent for at least the next 12 months to help the country cope with shortfalls in supply because of the Middle East situation.

If high pressure testing of pipelines proves successful the Esso-BHP partners will start work next month to increase the pressure on the main crude oil shipping pumps from the Halibut oil platform. This would enable a lift in production capacity of oil from the Bass Straits fields by 24,200 barrels a day to about 421,000 barrels daily.

Production would continue at this rate until the start of winter 1980, when the pipeline would be needed to meet contracts for the supply of gas to the Victorian market.

The partners are looking at the possibility of switching the pipeline back to oil during those months of 1980 in which it would not be essential for transporting gas. After the end of 1980 the pipeline would be needed for gas exclusively.

Esso-BHP are hoping to bring a new field, Cobia into production shortly. A statement from BHP said the investments to increase Bass Strait output in the short term was not required by government but were offered by Esso-BHP after studies had shown them to be feasible.

* * *

The major Japanese trading houses Mitsubishi Corporation and Mitsui have been appointed to advise on marketing activities in Japan for the North West Shelf Liquefied Natural Gas (LNG) project in Australia.

The Japanese companies will advise Shell, British Petroleum, Broken Hill Proprietary and Woodside Petroleum. The other member, California Asiatic, will act independently. An announcement from Woodside and BP said the joint appointment of Mitsubishi and Mitsui was an important step in the marketing of the companies' share of LNG to be produced from the North West Shelf.

As part of their advisory role the companies will provide a liaison service to assist sellers in their contacts with buyers and advise sellers on marketing matters. The appointment of the Japanese groups marks a significant move forward for the A\$3bn (£1.65bn) project, and also marks a swing towards Japan as the major market. The partners were also considering the west coast of the U.S. as a prime target, but there are doubts whether this will prove possible.

Mitsubishi and Mitsui have been involved in various roles in a number of LNG projects directed to Japan. Mitsubishi is an equity participant in the operating Brunei-Japan LNG project and the pending Sarawak-Japan LNG project. Mitsui is an equity participant in the Das Island-Japan LNG project. The arrangements with Mitsubishi and Mitsui are limited to Japan.

* * *

The Thai Government has granted Esso Exploration, a unit of Exxon Corporation, oil exploration and production rights covering 50,000 sq km in north east Thailand.

Esso will start a seismic survey this May. Exploration costs during the first three years are expected to be in the region of \$15m to \$20m.

Meanwhile, Charan Achalabuti, executive director of the National Gas Organisation of Thailand says that on March 26 he will open negotiations with Texas Pacific Oil regarding the well head price of natural gas in the Gulf of Thailand.

Last year Union Oil of California reached agreement on a well head price of \$1.04 per 1,00 cubic feet. Total deposits of natural gas in the Gulf are estimated at 6.4 trillion (million, million) cubic feet with 2.2 trillion found by Union Oil and 4.4 trillion by Texas Pacific.

BIDS AND DEALS

Trafford Park buying H.T.

AGREEMENT has been reached between the boards of Trafford Park Estates and H. T. Investments whereby Baring Brothers on behalf of Trafford Park will acquire the whole of the share capital of H. T.

It is proposed that H. T. will make a scrip issue of ordinary shares on the basis of three new shares for each share held. After this issue, the offer is for every 40 shares in H. T., nine ordinary 25p shares of Trafford Park credited as fully paid. There would be a cash alternative of £13.98 for the 40 shares.

Shareholders of H. T. may elect to receive part of the consideration in shares and part in cash. The cash alternative will not be available for acceptance after 3 pm on April 3, 1979.

By making a scrip issue before the offer, the expenses of the takeover are reduced through having to pay no stamp duty on the new shares transferred. Should the scrip issue not be implemented, then the offer would be amended to nine ordinary shares of Trafford Park for every ten in H. T.

The share price of Trafford Park fell 2p to 152p on news of the bid. This values each H. T. share on the share exchange at 136.8p compared with the cash alternative of 139.8p. The adjusted net tangible assets of H. T. as at March 15, 1979 amounted to £3,439,000, of which £590,000 was property and the balance of £2,849,000 in cash and readily realisable securities. This gives a net asset value of about 152p for each H. T. share.

In the event of the offer becoming unconditional, Trafford Park intends to put H.T. into liquidation by not later than May 31, 1979. The acquisition of H.T. will thus provide Trafford Park, a property development company, with an opportunity to raise additional funds on more favourable terms than could be obtained through a conventional rights issue.

Trafford Park proposes to finance the cash alternative by means of an underwritten offer of ordinary shares to existing shareholders who will be invited to apply for new ordinary 25p shares a price of 136p per share. The number of new shares on offer will depend on the number of H.T. shareholders who elect to receive cash. The maximum number of new shares that could be issued will be 2,021,544.

The Board of H.T. (other than Mr. T. G. Abell and Mr. C. W. Akers who are also directors of Barings) and its financial advisers Lazard Brothers, consider the terms fair and reasonable and strongly recommend acceptance. The directors of H.T. and certain other shareholders holding 8.2 per cent and 70.7 per cent respectively of the issued share capital have accepted the offer.

Lindsay & Williams and RFD agree terms

After month-long talks Lindsay and Williams, the Manchester-based electrical cable manufacturers, and RFD have reached agreement on the terms of a bid.

RFD, which makes marine and aircraft inflatable equipment and recovery systems is bidding 126p in cash per share, valuing Lindsay at £1.3m. In the market yesterday Lindsay's shares stood at 107p.

RFD already owns 24.5 per cent of Lindsay which it acquired last October with the open intention of diversifying.

The announcement of the offer coincides with Lindsay's preliminary figures for 1978. Turnover has risen from £2.78m to £3.3m and profits before tax by 26 per cent to £247,000.

JCEG LISTING SUSPENDED

Construction equipment group, JCEG, whose last set of annual accounts were heavily qualified by the group's auditors, has asked for its shares to be suspended, pending "clarification of the company's position."

JCEG's auditors, Burne Philips, said in the group's report and accounts for the year ending March 31, 1978 that the accounting records for JCEG's Johnson Machinery (Scotland) subsidiary were "incomplete, contained significant inaccuracies and did not comply with the requirements of the Companies Acts 1948 and 1976."

Burne Philips said: "A comparison of the aggregate cost and depreciated values of hiring plant physically in the ownership of Johnson Machinery (Scotland), with the amounts shown in the books of that company at March 3, 1977 revealed discrepancies of £75,216 which have been dealt with as a prior year adjustment.

"In the absence of detailed records for prior years, no satisfactory explanation for these discrepancies has been found."

In addition the auditors were unable to satisfy themselves as to validity of a £25,624 expense charge in the accounts of Johnson Machinery Ltd.

Mr. B. B. Deardon, JCEG's chairman, said in the annual accounts that the "weakness in certain accounting procedures at Johnson Machinery, referred to by the auditors, was corrected immediately on discovery."

Meanwhile the group's shares were at 20p when they were suspended yesterday.

Royal Insurance doubles Aachen & Munich stake

Royal Insurance, a leading UK composite insurance group, is to extend its involvement in the West German insurance field. It has agreed with Aachen and Munich and Aachen Re, whereby Royal will increase its holding in Aachen and Munich from the present 10 per cent to 20 per cent. This acquisition is subject to the required government and other consents.

Royal originally acquired its holding in Aachen and Munich, the fourth largest insurance group in West Germany, in 1972. Its further shareholding is being acquired from Aachen Re, the major shareholder of which is Aachen and Munich.

The cost will be around £15m of which about £10m will be in cash and the remainder in shares of Royal Re, the recently formed subsidiary of Royal, transacting all the group's reinsurance business. Aachen Re will acquire 20 per cent of the shareholding of Royal Re.

Mr. John Howard, director and deputy chief general manager of Royal said that this agreement would give Royal a meaningful stake in one of the leading German insurance groups. Both parties were confident that the share exchanges involved would help establish even closer working relationships, especially in the increasingly important reinsurance field.

BANK & COMMERCL.

Mr. John Birrane, the controversial former vice-chairman of Bank and Commercial Holdings, has sold his 16 per cent holding to a company called Hallwood Metropolitan Holdings. However, certain conditions attached mean that shareholders' approval is required at a special meeting.

WERELDHAVE WITHDRAWS FROM EPC BATTLE

Wereldhave has formally withdrawn from the bidding for English Property Corporation, as expected last Friday. With the consent of the Takeover Panel, the Dutch company has allowed its 56p per share offer to lapse, thereby leaving Olympia & York, the Canadian group, on its own.

Olympia took advantage of the fall in the share price on Friday—from 63½p to 60p—to buy more shares in the market. It now owns 24.2 per cent of the equity.

RELISTING FOR BRIGRAY

Shares of Brigray Group were relisted on the stock exchange yesterday following the group's announcement last month that talks, which might have led to it being taken over, had failed.

The shares closed last night at 9½p—compared with the suspension price of 6½p last December.

The group said yesterday that, despite the failure of the recent bid talks, a number of other companies had shown an interest in the group, although this had not resulted, so far, in any firm approach.

PMA suspended—big acquisition planned

The transformed PMA Holdings, furniture manufacturing concern, revealed yesterday that is is poised to make a "substantial acquisition."

The group, headed by Mr. Malcolm Meredith, said that it had signed a conditional agreement and asked for its shares to be suspended.

The shares at 100p have more than doubled since the group last July announced record annual pre-tax profits of £173,000—when the shares stood at 42p. In the first half of the current year PMA's pre-tax profits rose from £10,000 to £160,000.

PMA's turnround from significant losses in the mid-1970s—the group was at one stage losing around £60,000 a month—has coincided with the arrival in 1976 of Mr. Meredith as chairman and chief executive of PMA.

Since then the group has moved in to the black after showing a pre-tax loss of £581,856 in 1975-76.

ESTATES & AGENCY

Estates and Agency Holdings had its shares temporarily suspended yesterday pending an announcement.

E and G has had a chequered career: it started life as a tea company operating estates in West Cameroon, lost its quote when these were sold in 1972 and re-emerged as a property company just as the property market collapsed in 1974.

Its major shareholdings are in a number of hands. Last June a company called Angloped, owned by Mr. D. Berchanpour and Mr. F. A. Shasha, bought a 17 per cent stake.

RACAL

Racal Electronics has completed the acquisition of 83 per cent of the capital of Microwave and Electronic Systems. Due to a typographical error the percentage was given as 33 in last Friday's report.

● NEWS ANALYSIS—ROCKWELL/WILMOT BREEDEN

Unlocking a wider market

BY KENNETH GOODING, MOTOR INDUSTRY CORRESPONDENT

The Western European car market is roughly the same size as that in the U.S. Yet 28 per cent of American cars have electric windows compared with only 1 per cent in Europe, and 24 per cent of new cars in the States are delivered with centralised and powered door-locking systems against 4 per cent in Europe.

Those statistics explain to some extent why Rockwell International of the U.S. is paying court to Wilmot Breeden of the UK.

Wilmot Breeden's main attraction is that it can supply these electric window and door systems and has already captured a significant share of the total European market for them.

According to one authoritative estimate, the market could double in value terms over the next four to five years.

Higher cost

If that seems optimistic, it must be seen in the context of the much higher cost of electric systems compared with mechanical ones. Take one example from the UK. Wilmot Breeden collects around £50 for the central door-locking system which goes into the new Rover saloons. Traditional locks would probably fetch about £5 a car.

New opportunities for European-style components and systems of all kinds are beginning to show themselves in the U.S. as the major manufacturers join in the hectic race to produce lighter, smaller and less-thirsty popular cars for the 1980s.

Even so customers will still insist on electric windows and power door locking. However, it is not possible simply to switch the existing American systems from large to small cars. A different approach, a different technology is required. Technology which Rockwell could export back to the States if it acquired Wilmot Breeden.

It was talk about technology-swapping and possible joint ventures which brought the two organisations together at the end of last year.

Having had a closer look, Rockwell has established that other parts of Wilmot Breeden — its Telehoist tipping gear business, its Trufio valves concern, the electronics and other operations —would fit quite neatly with Rockwell which describes itself as a "multi-industry company applying advanced technology to a wide range of products in its aerospace, automotive, consumer, electronics and industrial operations."

If some kind of deal can be worked out between the two—and at this stage that is far from a certainty—Rockwell would in one swoop establish itself in most of the important European car markets with the supply of window and door mechanisms as original equipment.

In particular, Wilmot Breeden presents a way into the French market, stronghold of Europe's biggest car group, PSA Peugeot, and its State-owned competition, Renault.

French foothold

The UK concern owns 99 per cent of Compagnie Industrielle de Mecanismes (CIM). This offers one of the few ways for an American group these days to gain a foothold on French territory, for the French Government has set itself firmly against the idea that any important industrial sector should fall into foreign hands—particularly American hands. As its intervention in the Lucas-Ducellier battle shows, the Government believes France needs its own, thriving motor component sector.

On top of that, Wilmot Breeden has 50 per cent of a Spanish company and 47 per cent of another in Italy, both relatively small concerns but with significant positions in the supply of mechanisms to local car groups.

Rockwell already owns Golde, a similar business, in West Germany.

In the 1978 financial year Rockwell's automotive operations contributed \$1.485bn out of total net sales of \$5.869bn. They accounted for \$159m out of the total \$474m operating income.

Compared with this, Wilmot Breeden's 1977 sales were a little over £90m (\$182m). Taxable profits were £5.7m (\$11.5m).

The suggested price of £20m (\$40.4m) for Wilmot Breeden must be seen in the context of Rockhwell's intention to spend \$500m (£247.5m) on its automotive business between 1978 and 1983 and the \$1bn (£495m) spent on capital projects in the past 10 years.

Similar business

Seven years ago Rockwell had no automotive operations outside North America. Today it has 12 plants and sales of around \$150m outside its home territory.

In Europe, apart from its West German mechanisms operations, Rockwell is best known for the manufacture of axles, brakes, chassis and other components for heavy-duty trucks, trailers, buses and off-road vehicles.

While in the U.S. it also has a similar business to that of Wilmot Breeden, supplying mechanical devices for cars and light trucks.

So it can reasonably be argued that Rockwell is in the position to start its own businesses in Europe from scratch if necessary. The price for Wilmot Breeden must necessarily reflect this fact. However, not only would the acquisition of Wilmot Breeden represent a decisive thrust into a European growth market it would at the same time remove from the scene the major competitor Rockwell would face if it decided to go it alone.

Chambers & Fargus warns

The directors of Chambers and Fargus, seed crusher and edible oil refiner, report a turnround from a £30,983 loss to a £100,785 pre-tax profit for the half year to December 31, 1978, on lower turnover of £4.51m against £5.31m.

Profits for the whole of the previous year were up from £38,388 to £127,652.

The directors, however, say that forecasts for the second half are rather lower than for the first, due to the transport strike and interruptions in the supplies of seed.

Profits shown in the accounts will vary considerably according to the depreciation policy adopted for the currently idle soya plant which comprises a large proportion of total assets, they add.

For the first half the company has fixed a depreciation rate, £68,642 (£106,988), which directors feel appropriate in the current circumstances.

This will be reviewed at the end of the year in the light of trading prospects for the plant.

Pre-tax figure was struck also after interest of £42,383 compared with a previous £70,409.

The interim dividend is 0.25p net per 5p share against nil last time—last year's final payment was 0.49p.

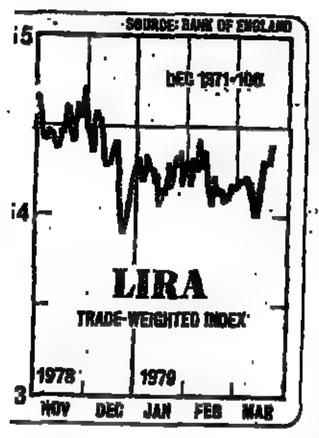
CURRENCIES, MONEY and GOLD

Sterling weak

[S]terling lost ground in the [for]eign exchange market yester[day], while other major curren[cie]s showed hardly any overall [cha]nge. There appeared to be [littl]e in the way of fresh fac[tor]s to prompt the decline [alth]ough there may have been [li]ttle profit taking after sterl[ing]'s recent rise. Some sources [sug]gested that interest in the [Can]adian dollar may have [pro]mpted some switching out of [ster]ling.

[A]gainst the U.S. dollar it [ope]ned at $2.0275 and touched [$2.0]295 briefly before coming [bac]k to $2.0265 around noon. [Ho]wever more selling developed [dur]ing the afternoon both in [U.S]. and European centres, and [the] pound fell to a low for the [day] of $2.0200.

[T]he Bank of England inter[ven]ed at this level because the [rat]e jumped to $2.0225 in a very [sho]rt space of time, and by the [clos]e it had risen a little further



[to] $2.0230-2.0240, a fall of 70 [poi]nts from Friday's close. The [pou]nd's overall performance was [refl]ected in its trade weighted [ind]ex which fell to 64.6 at the [clos]e from 65.0 on Friday, [hav]ing stood at 64.9 at noon and [in t]he morning.

[T]he dollar showed very little [mov]ement indeed and finished [at] SwFr 1.6830 in terms of the [Swi]ss franc compared with [SwF]r 1.6820 and DM 1.8630 [agai]n DM 1.8640 against the D-mark. On Bank of England figures, its index rose slightly to 84.8 from 84.7.

The increasing attractiveness of interest rates in Canada may have helped the Canadian dollar to improve to 85.72½ U.S. cents from 85.26½ U.S. cents on Friday. Its index on Bank of England figures rose from 80.3 to 80.7.

FRANKFURT—The dollar was fixed at DM 1.8648 yesterday, slightly up from Friday's level of DM 1.8626, and there was no intervention at the time by the Bundesbank. Trading remained quiet with the U.S. unit moving within a very narrow range. The market may well be looking to U.S. and West German trade figures due later this month.

MILAN—The lira improved against most major currencies yesterday with the dollar fixed at L841.70 against L842.55 and the D-mark at L451.09 compared with L451.68 on Friday. The Dutch guilder was quoted at L417.70, down from L418.54, and sterling fell from L1,711.1 to L1,703.1.

ZURICH—Trading remained at an extremely low level yesterday and the dollar showed little movement in the absence of any fresh factors. The U.S. unit was quoted at SwFr 1.6845, unchanged from earlier, while the D-mark showed little movement at DM 1.8640.

AMSTERDAM—At the fixing, the dollar rose to Fl 2.0125, from Fl 2.0120 on Friday.

TOKYO—The dollar continued to shown an improvement against the yen yesterday, despite heavy intervention by the Bank of Japan. The Bank was estimated to have sold around $400m in an effort to arrest the decline. However, the U.S. unit finished at Y207.775, slightly firmer than its level on Friday of Y207.075. The dollar opened at Y207.70 with most business between Y207.75 and Y207.80. Further demand in respect of import settlements was seen as one of the reasons for the Bank of Japan's failure to prevent the yen declining, while the undertone was still one of pessimism over future trends in Japan's economy.

THE POUND SPOT AND FORWARD

March 19	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	2.0200-2.0295	2.0230-2.0240	0.45-0.35c pm	2.37	0.88-0.78 pm	1.64
Canada	2.3560-2.3735	2.3595-2.3605	0.40-0.30c pm	1.78	0.85-0.75 pm	1.36
Nethlnd.	4.06-4.09	4.06½-4.07½	2⅜-1⅜c pm	6.26	6⅝-5⅝ pm	5.66
Belgium	59.35-59.80	59.40-59.50	35-25c pm	6.06	75-65 pm	4.71
Denmark	10.47½-10.54	*10.49-10.50	2¾-¼ore pm	1.43	2½-1½ pm	0.57
W. Ger.	3.76½-3.79½	3.76¾-3.77¾	3¼-2¼pf pm	8.75	7⅞-6⅞ pm	8.14
Portugal	96.75-97.50	96.90-97.30	30-100c dis	−8.03	80-220 dis	−6.18
Spain	140.10-140.40	140.10-140.20	10c pm-40c dis	−1.28	par-120 dis	−1.71
Italy	1696-1705	1699-1700	4¼-2¼lire pm	2.29	5½-3¼ pm	1.00
Norway	10.31-10.35	10.31½-10.32½	6½-3½ore pm	5.23	9½-7½ pm	3.29
France	8.67-8.71	8.68¼-8.69¼	4¼-3¼c pm	5.18	10-9 pm	4.37
Sweden	8.82½-8.86½	8.83½-8.84½	3¾-1¾ore pm	3.73	8¾-6¾ pm	3.51
Japan	417-420	415-420	2.90-2.60y pm	7.87	7.80-7.50 pm	7.39
Austria	27.60-27.75	27.60-27.65	22-12gro pm	7.38	52-42 pm	6.81
Switz.	3.39½-3.42½	3.40¼-3.41¼	4¼-3¼c pm	13.21	10¼-9¼ pm	12.03

Belgium rate is for convertible francs. Financial franc 60.30-60.40.
Six-month forward dollar 1.40-1.30c pm; 12-month 2.65-2.55 cpm.
*Close for Denmark on March 16 should have been 10.52¾-10.53¾.

THE DOLLAR SPOT AND FORWARD

March 19	Day's spread	Close	One month	% p.a.	Three months	% p.a.
U.S.	2.0200-2.0295	2.0230-2.0240	0.45-0.35c pm	2.37	0.88-0.78 pm	1.64
Ireland	2.0200-2.0295	2.0230-2.0240	0.45-0.35c pm	2.35	0.88-0.78 pm	1.64
Canada†	85.35-85.76	85.71-85.70	0.6-0.4c dis	−0.70	0.9-0.6 dis	−0.35
Nethlnd.	2.0095-2.0123	2.0095-2.0110	0.75-0.65c pm	4.27	2.03-1.93 pm	3.99
Belgium	29.44-29.45	29.44-29.46	9½-8½c pm	3.67	25-23½ pm	3.29
Denmark	5.1845-5.2000	5.1845-5.1880	0.25c dis-0.25c pm	—	0.75-1.25dis	−0.77
W. Ger.	1.8615-1.8665	1.8625-1.8638	1.07-1.03pf pm	6.78	2.97-2.93 pm	6.33
Portugal	47.38-48.13	48.03-48.13	30-40c dis	−8.73	70-135 dis	−8.53
Spain	69.20-69.25	69.20-69.25	8-10c dis	−2.25	28-38 dis	−1.91
Italy	839.70-841.50	839.70-740.20	0.40-0.70lire dis	−0.78	1.20-1.60dis	−0.67
Norway	5.1010-5.1080	5.1010-5.1020	1.40-1.00ore pm	2.82	2.40-2.00 pm	1.72
France	4.2920-4.2945	4.2920-4.2935	1.18-1.08c pm	3.16	2.95-2.80 pm	2.68
Sweden	4.3685-4.3690	4.3680-4.3690	0.25-0.65ore pm	2.08	2.45-2.25 pm	2.16
Japan	207.10-207.90	207.20-207.30	1.00-0.90oy pm	5.50	3.00-2.85 pm	5.64
Austria	13.65½-13.66½	13.65½-13.65½	7.50-6.75gro pm	6.26	20.0-18.0 pm	5.57
Switz.	1.6810-1.6865	1.6825-1.6835	1.61-1.57c pm	11.34	4.45-4.41 pm	10.53

† U.S. cents per Canadian $

CURRENCY RATES

March 16	Bank rate %	Special Drawing Rights	*Europ'n Currency Unit
Sterling	13	0.631635	0.653647
U.S. $	9½	1.28573	1.35026
Canadian $	11¼	1.50842	1.58468
Austria Sch.	3¾	17.5534	18.4310
Belgian F	6	37.8776	39.7651
Danish K	8	6.66522	6.99975
D mark	3	2.39480	2.51647
Guilder	6½	2.58689	2.71591
French Fr	9½	5.61771	5.79868
Lira	10½	1083.28	1135.37
Yen	3½	266.210	280.111
Nrwgn. K	7	6.55272	6.86756
Spanish Pes.	8	—	93.4580
Swedish Kr	6½	5.50836	5.89630
Swiss Fr	1	2.16131	2.26978

* The European Unit of Account has been replaced by the European Currency Unit, which has the same value.

CURRENCY MOVEMENTS

Mar. 19	Bank of England Index	Morgan Guaranty changes %
Sterling	64.6	−39.8
U.S. dollar	84.8	−8.5
Canadian dollar	80.7	−16.7
Austrian schilling	146.8	+19.4
Belgian franc	114.5	+14.9
Danish kroner	118.3	+7.0
Deutsche Mark	150.4	+41.9
Swiss franc	194.9	+81.9
Guilder	125.1	+21.0
French franc	99.4	−5.2
Lira	54.4	−49.1
Yen	139.3	+38.0

Based on trade weighted changes from Washington agreement December, 1971 (Bank of England Index=100).

OTHER MARKETS

Mar. 19	£	$		£ Note Rates
Argentina Peso	2277.85-2297.85	1125-1135	Austria	27¼-28¼
Australia Dollar	1.8010-1.8110	0.8900-0.8950	Belgium	60-61
Brazil Cruzeiro	45.54-46.54	22.50-23.00	Denmark	10.45-10.55
Finland Markka	8.04-8.05	3.9730-3.9780	France	8.64-8.74
Greek Drachma	73.682-75.475	36.40-37.30	Germany	3.70-3.80
Hong Kong Dollar	9.82½-9.84½	4.8570-4.8590	Italy	1,680-1,730
Iran Rial	147.70-156.80	73-77	Japan	418-428
Kuwait Dinar (KD)	0.554-0.564	0.2758-0.2769	Netherlands	4.00-4.10
Luxembourg Frc.	59.40-59.50	29.45-29.47	Norway	10.28-10.38
Malaysia Dollar	4.44¼-4.45¼	2.2036-2.2048	Portugal	92-98
New Zealand Dlr.	1.9178-1.9278	0.9475-0.9525	Spain	139.50-144.50
Saudi Arab. Riyal	6.76-6.86	3.3590-3.3610	Switzerland	3.35-3.45
Singapore Dollar	4.40¼-4.41¼	2.1795-2.1805	United States	2.0200-2.0300
Sth. African Rand	1.7014-1.7206	0.8410-0.8500	Yugoslavia	40½-42½

Rate given for Argentina is free rate.

[EX]CHANGE CROSS RATES

Mar. 19	Pound Sterling	U.S. Dollar	Deutschem'k	Japan'se Yen	French Franc	Swiss Franc	Dutch Guild'r	Italian Lira	Canada Dollar	Belgian Franc
[Poun]d Sterling	1.	2.024	3.775	419.5	8.688	3.408	4.070	1700.	2.360	59.45
[U.S.] Dollar	0.494	1.	1.864	207.3	4.293	1.684	2.011	839.9	1.166	29.38
[Deut]schemark	0.265	0.536	1.	111.2	2.303	0.903	1.079	450.5	0.626	15.76
[Japa]nese Yen 1,000	2.384	4.824	8.993	1000.	20.71	8.123	9.702	4051.	5.626	141.7
[Fren]ch Franc 10	1.151	2.329	4.342	482.9	10.	3.922	4.685	1956.	2.717	68.43
[Swiss] Franc	0.293	0.594	1.107	123.1	2.550	1.	1.194	498.8	0.693	17.45
[Dutc]h Guilder	0.246	0.497	0.927	103.1	2.135	0.837	1.	417.5	0.580	14.61
[Italia]n Lira 1,000	0.588	1.191	2.220	246.8	5.111	2.005	2.395	1000.	1.389	34.98
[Cana]dian Dollar	0.424	0.857	1.599	177.8	3.681	1.444	1.725	720.1	1.	25.19
[Belgi]an Franc 100	1.682	3.404	6.346	705.6	14.61	5.732	6.846	2859.	3.970	100.

[EU]RO-CURRENCY INTEREST RATES

The following nominal rates were quoted for London dollar certificates of deposit: one month 10.35-10.45 per cent; three months 10.55-10.65 per cent, six [mont]hs 10.85-10.95 per cent; one year 10.75-10.85 per cent.

Mar. 19	Sterling	U.S. Dollar	Canadian Dollar	Dutch Guilder	Swiss Franc	West German Mark	French Franc	Italian Lira	Asian $	Japanese Yen
[Sho]rt term	12½-12¾	10¼-10½	9-10	6⅝-6⅞	par-⅛	4⅛-4⅜	6¾-7	7-10	—	5⅝-12¾
[7 d]ay's notice	12½-12¾	10⅜-10⅝	9-10	6⅝-6⅞	par-⅛	4⅛-4⅜	6¾-7	10-11	10⅜-10⅝	4⅞-5⅛
[Mon]th	12⅜-12⅝	10⅜-10⅝	10¾-11⅛	6⅜-6⅝	⅛-¼	4¼-4⅜	7¼-7½	11-12	10½-10⅝	4⅞-5⅛
[Thre]e months	11⅞-12⅛	10⅝-10⅞	10¾-11⅛	6⅝-6⅞	⅛-¼	4⅜-4½	8-8¼	12-13	10¾-10⅞	5⅛-5⅜
[Six m]onths	11⅝-11⅞	11⅛-11⅜	10¾-11⅛	6¾-7	⅝-¾	4⅝-4⅞	8⅝-8⅞	12¾-13¼	11⅛-11¼	5-5⅛
[One] year	11½-11¾	10⅞-11⅛	10⅞-11⅛	7-7¼	1-1⅛	4⅞-5⅛	9⅛-9⅜	12½-13½	10⅞-11⅛	4⅞-5⅛

Long-term Eurodollar deposits: two years 10⅝-10⅞ per cent; three years 10⅝-10⅞ per cent; four years 10⅝-10⅞ per cent; five years 10-10⅛ per cent nominal [clos]ing rates. Short-term rates are call for sterling, U.S. dollars and Canadian dollars; two-day call for guilders and Swiss francs. Asian rates are closing rates [in S]ingapore.

[IN]TERNATIONAL MONEY MARKET

European rates steady

[E]uropean short-term interest [rate]s remained fairly steady [yest]erday, although day-to-day [mon]ey rose to 7 per cent from [6¾ p]er cent in France, while call [mon]ey firmed to 4.30-4.50 per [cen]t from 4.20-4.30 per cent in [We]st Germany.

[P]ARIS—Period rates were [unc]hanged, with one-month at [7¼] per cent; three-month at 7⅛ per cent; six-month at 7⅛ per cent; and 12-month at 7⅞ [pe]r cent.

[F]RANKFURT — One - month [mon]ey fell to 4.20-4.30 per cent [fro]m 4.30-4.40 per cent; and three-month to 4.35-4.45 per cent from 4.40-4.50 per cent. Six-month was quoted at 4.50-4.70 per cent, compared with 4.60-4.70 per cent, while 12-month funds were unchanged at 4.95-5.05 per cent.

AMSTERDAM — Call money eased to 6¾-7 per cent from 7-7¼ per cent; one-month to 7-7¼ per cent from 7¼-7½ per cent; and three-month to 7-7¼ per cent from 7¼-7½ per cent. Six-month was quoted at 7-7¼ per cent, compared with 7-7¼ per cent.

BRUSSELS — One - month money rose slightly to 7⅛-7⅜ per cent from 7½-7¾ per cent. Three-month was unchanged at 7⅛-7⅜ per cent; six-month at 7⅞-8⅛ per cent; and 12-month 8⅛-8⅜ per cent. Call money firmed to 6.70 per cent from 6.25 per cent.

MILAN—Money rates were unchanged, with call at 10½-10¾ per cent; one-month at 11¼-11½ per cent; two-month at 11¼-11½ per cent; and three-month at 11¾-11⅞ per cent.

HONG KONG—The money market was easy with call money at 9 per cent, and overnight at 7½ per cent.

GOLD

Slight fall

Gold fell $1¼ an ounce in the London bullion market yesterday to $242½-$243¼. Trading was described as moderate with a fair amount of interest surrounding the metal. It opened at $243¾-$244½, and was fixed during the morning at $243.85 before easing at the afternoon fixing to $242.25.

In Paris the 12½ kilo bar was fixed at Fr38.895 per kilo ($245.45 per ounce) compared with Fr33,800 ($245.39) on Friday morning.

In Frankfurt the 12½ kilo bar was fixed at DM14,600 per kilo ($243.51 per ounce) against DM14,605 ($243.96) previously.

	Mar. 17	Mar. 15
Gold Bullion (fine ounce)		
Close	$242½-243¼ (£119.8-120.2)	$239½-240¼ (£117.6-118.0)
Opening	$243¾-244½ (£120.2-120.6)	$240-240¾ (£117.8-118.1)
Morning fixing	$243.85 (£120.301)	$239.80 (£117.653)
Afternoon fixing	$242.25 (£119.807)	$240.10 (£117.852)
Gold Coins, domestically		
Krugerrand	$261-265 (£129-131)	$253½-257½ (£124¼-126¼)
New Sovereigns	$68¼-70¼ (£33¾-34¾)	$67¾-69¾ (£33¼-34¼)
Old Sovereigns	$76¼-78¼ (£37¾-38¾)	$77-79 (£35¾-38¾)
Gold Coins, internationally		
Krugerrand	$249-251 (£123-124)	$246½-248½ (£121-122)
New Sovereigns	$63½-65½ (£31½-32½)	$62½-64½ (£30¾-31¾)
Old Sovereigns	$76½-78½ (£37¾-38¾)	$77-79 (£36¾-38¾)
$20 Eagles	$312-317	$311-316
$10 Eagles	$171-176	$170½-175½
$5 Eagles	$121-126	$118½-123½

[U]K MONEY MARKET

Extremely large help

[B]ank of England Minimum Lending Rate 13 per cent (since March 1, 1979)

[D]ay-to-day credit was in short [sup]ply in the London money mar[ket] yesterday, and the authorities [gav]e an extremely large amount [of] assistance by buying an ex[tre]mely large number of Trea[sur]y bills from the discount [hou]ses, and a small amount of [loc]al authority bills.

[T]he maket was helped by the [tem]porary release of special de[pos]its, but this was outweighed by the second call on Exchequer 13¼ per cent 1987, repayment of the large amount lent to the houses on Friday, a moderate net take-up of Treasury bills, and a small excess of revenue payments to the Exchequer over Government disbursements.

Discount houses paid about 12¾ per cent for secured call loans in the early part, and closing balances were taken at 12-12¾ per cent.

In the interbank market overnight loans opened at 12½-12¾ per cent, and ranged between 12¾ per cent and 13¼ per cent, before easing to 12-12½ per cent at the close.

Short-term interest rates were slightly firmer in places, with three-month interbank money rising to 11⅞-12⅛ per cent from 11⅞-11⅞ per cent. Three-month Treasury bills were steady at a buying rate of 11¼-11⅜ per cent, after falling to 10⅞-10⅞ per cent in the early part of last week.

Rates in the table below are nominal in some cases.

[LO]NDON MONEY RATES

Mar. 19 1979	Sterling Certificate of deposit	Interbank	Local Authority deposits	Local Auth. negotiable bonds	Finance House Deposits	Company Deposits	Discount market deposit	Treasury Bills ♦	Eligible Bank Bills ♦	Fine Trade Bills ♦
[Over]night	—	12-13¼	—	—	—	—	12-13⅛	—	—	—
[2 da]ys notice	—	—	12⅞-13⅛	—	—	—	—	—	—	—
[7 da]ys or	—	—	—	—	—	—	—	—	—	—
[7 da]ys notice	—	12½-12⅞	13-13⅛	—	12⅞	13¼	12½-12⅝	—	—	—
[One] month	12⅝-12½	12⅝-12¾	12⅝-12¾	12½-12¾	12⅞	12⅞	12¼-12½	11⅝-11¼	12⅝	12¾
[Two] months	12⅜-12¼	12⅞-12¼	—	12⅝-12⅜	12⅝	—	11⅝-11¾	11¼	12¼-12⅛	12⅜
[Thre]e months	11⅞-11¾	11⅞-12⅛	12-12¼	11⅝-11⅞	12⅝	12⅜	11⅛	11¼-11⅜	11⅝-11⅞	12
[Six m]onths	11⅝-11½	11⅞-11¾	11¾-11⅞	10⅝-10⅞	12¼	—	—	—	11⅛-11¼	12¼
[Nine] months	11½-11⅝	11⅛-11⅝	—	11¼-11½	12	—	—	—	—	—
[One] year	11⅞-11⅞	11½-11¾	11¾-12	11¼-11½	12	—	—	—	—	—
[Two] years	—	—	12-12¼	—	—	—	—	—	—	—

[L]ocal authority and finance houses seven days' notice, others seven days' fixed. *Long-term local authority [mort]gage rates nominally three years 11¾-12¼ per cent; four years 12¼-12⅝ per cent; five years 12½-12¾ per cent. [♦ Ban]k bill rates in table are buying rates for prime paper. Buying rates for four-month bank bills 11⅞-11½ per [cent;] four-month trade bills 12⅛ per cent.

[A]pproximate selling rates for one-month Treasury bills 11¾-11⅝ per cent; two-month 11⅞ per cent; three months [11]⅝ per cent. Approximate selling rate for one-month bank bills 12⅝ per cent; two-month 12⅜-12⅝ per cent; three-month 11½-11⅝ per cent; one-month trade bills 12¾ per cent; two-month 12⅝ per cent; and three-month [12¼ p]er cent.

[Fi]nance Houses Base Rates (published by the Finance Houses Association) 13½ per cent from March 1, 1979. [Clear]ing Bank Deposit Rates for small sums at seven days' notice 10.5 per cent. Clearing Bank Rates for lending 13 per [cent.] Treasury Bills. Average tender rates of discount 10.9299 per cent.

MONEY RATES

NEW YORK

Prime Rate	11.5-11.75
Fed Funds	10.09375
Treasury Bills (13-week)	9.49
Treasury Bills (26-week)	9.48

GERMANY

Discount Rate	3
Overnight Rate	4.40
One month	4.25
Three months	4.40
Six months	4.60

FRANCE

Discount Rate	9.5
Overnight Rate	7
One month	6.9375
Three months	7.125
Six months	7.375

JAPAN

Discount Rate	3.5
Call (Unconditional)	4.625
Bills Discount Rate	4.625

WORLD VALUE OF THE POUND

The table below gives the latest available rates of exchange for the pound against various currencies on March 19, 1979. In some cases rates are nominal. Market rates are the average of buying and selling rates except where they are shown to be otherwise. In some cases market rates have been calculated from those of foreign currencies to which they are tied.

Exchange in the UK and most of the countries listed is officially controlled and the rates shown should not be taken as being applicable to any particular transaction without reference to an authorised dealer.

Abbreviations: (A) approximate rate, no direct quotation available; (F) free rate; (P) based on U.S. dollar parities and going sterling/dollar rate; (S) member of the sterling area other than Scheduled Territories; (T) tourist rate; (Bas) basic rate; (bg) buying rate; (Bk) bankers' rate; (cm) commercial rate; (cn) convertible rate; (fn) financial rate; (exC) exchange certificate rate; (k) Scheduled Territory; (nc) non-commercial rate; (nom) nominal; (o) official rate; (sg) selling rate.

PLACE AND LOCAL UNIT		VALUE OF £ STERLING
Afghanistan	Afghani	83.00
Albania	Lek	10.020
Algeria	Dinar	7.7478
Andorra	French Franc	8.6875
	Spanish Peseta	140.15
Angola	Kwanza	60.118
Antigua (S)	E. Caribbean $	5.4685
Argentina	Ar. Peso Free Rate	2287.65
Australia (S)	Australian $	1.8060
Austria	Schilling	27.625
Azores	Portug. Escudo	97.10
Bahamas (S)	Ba. Dollar	2.0235
Bangladesh (S)	Taka	30.95 (sg)
Bahrain (S)	Dinar	0.778
Balearic Isles	Spa. Peseta	140.15
Barbados (S)	Babados $††	4.047
Belgium	B. Franc	(com) 59.45
		(fn) 60.35
Belize	B $	4.047
Benin	C.F.A. Franc	434½
Bermuda (S)	Bda $	2.0235
Bhutan	Indian Rupee	16.7266 (sg)
Bolivia	Bolivian Peso	40.47
Botswana (S)	Pula	1.6758
Brazil	Cruzeiro ‡‡	46.04
Brit. Virgin Isles (S)	U.S. $	2.0235
Brunei (S)	Brunei $	4.4075
Bulgaria	Lev	1.7400
Burma	Kyat	13.8125
Burundi	Burundi Franc	183.53
Cameroon Republic	C.F.A. Franc	434½
Canada	Canadian $	2.3600
Canary Islands	Spanish Peseta	140.15
Cape Verde Isle.	Cape V. Escudo	73.876
Cayman Islands (S)	Cay. Is. $	1.6863
Cent. African Rep.	C.F.A. Franc	434½
Chad	C.F.A. Franc	434½
Chile	C. Peso	(Bk) 70.66
China	Renminbi Yuan	3.2023
Columbia	C. Peso	(F) 84.25
Comoro Islands	C.F.A. Franc	434½
Congo (Braz'ville)	C.F.A. Franc	434½
Costa Rica	Colon	17.4021
Cuba	Cuban Peso	1.4478
Cyprus (S)	Cyprus £	0.7250
Czechoslovakia	Koruna	(com) 10.60
		n.c 21.10
		(T) 17.85
Denmark	Danish Krone	10.495
Djibouti	Fr.	355.0
Dominica (S)	E. Caribbean $	5.4685
Dominican Repub.	Dominican Peso	2.0235
Ecuador	Sucre	(O) 50.26
		(F) 56.45
Egypt	Egyptian £	(U) 1.4025
Equatorial Guinea	Pesata	140.15
Ethiopia	Ethiopian Birr	(P) 4.1954
Falkland Islands (S)	Falkland Is. £	1.0
Faro Islands	Danish Krone	10.495
Fiji Islands	Fiji $	1.6890
Finland	Markka	8.045
France	French Franc	8.6875
French C'tyin Af*	C.F.A. Franc	434½
French Guiana	Local Franc	8.6875
French Pacific Is.	C.F.P. Franc	157.954
Gabon	C.F.A. Franc	434½
Gambia (S)	Dalasi	3.9688
Germany (East)	Ostmark	3.7725
Germany (West)	Deutsche Mark	3.7725
Ghana (S)	Cedi	5.60 n.g.
Gibraltar (K)	Gibraltar £	1.0
Gilbert Islands	Australian $	1.8060
Greece	Drachma	74.376
Greenland	Danish Kroner	10.495
Grenada (S)	E. Caribbean $	5.4685
Guadaloupe	Local Franc	8.6875
Guam	U.S. $	2.0235
Guatemala	Quetzal	2.0235
Guinea Republic	Sily	38.840
Guinea Bissau		692.29
Guyana (S)	Guyanese $	5.1599
Haiti	Gourd	10.117
Honduras Repub.	Lempira	4.06
Hong Kong (S)	H.K. $	9.8350
Hungary	Forint	(com) 72.66
		(T)(nc) 41.52
Iceland (S)	I. Krona	655.5
India (S)	Ind. Rupee	16.7266
Indonesia	Rupiah	1264.69
Iran	Rial	151.965
Iraq	Iraq Dinar	0.5985
Irish Republic (k)	Irish £	1.00
Israel	Israel £	41.65
Italy	Lira	1699.5
Ivory Coast	C.F.A. Franc	434½
Jamaica (S)	Jamaica Dollar	3.5006
Japan	Yen	419.5
Jordan (S)	Jordan Dinar	0.598 (sg)
Kampuchea	Riel	2428.2
Kenya (S)	Kenya Shilling	15.155
Korea (Nth)	Won	1.77 (¶)
Korea (Sth)	Won	981.79
Kuwait (Sth)	Kuwait Dina	0.559
Laos	Kip Pot Po	809
Lebanon	Lebanese £	6.3569
Lesotho	S. African Rand	1.71096
Liberia	Liberian $	2.0235
Libya	Libyan Dinar	0.59904
Liechtenstein	Swiss Franc	3.4075
Luxembourg	Lux Franc	59.45
Macao	Pataca	10.1458
Madeira	Portug'se Escudo	97.10
Malagasy Republic	MG Franc	434½
Malawi (S)	Kwacha	1.66
Malaysia (S)	Ringgit	4.4525
Maldive Islands (S)	Mal Rupee	7.9523
Mali Republic	Mali Franc	866.75
Malta (S)	Maltese £	0.7380
Martinique	Local Franc	8.6875
Mauritania	Ouguiya ;	86.601
Mauritius (S)	M. Rupee	12.1367
Mexico	Mexican Peso	46.00
Miquelon	C.F.A. Franc	434½
Monaco	French Franc	8.6875
Mongolia	Tugrik	(O) 5.867 (¶)
Monserrat	E. Caribbean $	5.4685
Morocco	Dirham	7.96 (sg)
Mozambique	Moz. Escudo	65.096
Nauru	Australian Dollar	1.8060
Nepal	Nepalese Rupee	24.38
Netherlands	Guilder	4.07
Netherland Antilles	Antillian Guilder	3.6221
New Hebrides	Franc.	140.4
	Aust. Dollar	1.8060
New Zealand (S)	N. Z. Dollar	1.9225
Nicaragua	Cordoba	14.55
Niger Republic	C. F. A. Franc	434½
Nigeria (S)	Naira	1.27572 (sg)
Norway	Norway Krone	10.320
Oman Sultanate of (S)	Rial Omani	0.700
Pakistan	Pakistan Rupee	19.97
Panama	Balboa	2.0235
Papua N. Guinea (S)	Kina	1.4300
Paraguay	Guarani	252.10
Peoples D. Repub. of Yemen (S)	S. Yemen Dinar	(A) 0.6910
Peru	Sol	exc (A) 415.71
Philippines	Philippine Peso	14.9284
Pitcairn Islands (S)	£ Sterling	—
	New Zealand $	1.9225
Poland	Zloty	(Cm) 62.82
		(T) 62.82
Portugal	Portugu'se Escudo	97.10
Port Timor	Timor Escudo	97.10
Principe Islands	Portugu'se Escudo	97.10
Puerto Rico	U.S. $	2.0235
Qatar (S)	Qatar Ryal	7.78
Reunion Ile de la	French Franc	8.6875
Rhodesia	Rhodesian $	1.4033
Romania	Leu	(Cm) 9.07
		(o/c) T24.36
Rwanda	Rwanda Franc	187.65
St. Christopher (S)	E. Caribbean $	5.4685
St. Helena	St. Helena £	1.0
St. Lucia	E. Caribbean $	5.4685
St. Pierre	C.F.A Franc	434½
St. Vincent (S)	E. Caribbean $	5.4685
Salvador El	Colon	5.05
Samoa American	U.S. $	2.0235
San Marino	Italian Lire	1,699.5
Sao Tome	Portugese Escudo	97.10
Saudi Arabia	Ryal	6.81
Senegal	C.F.A. Franc	434½
Seychelles	S. Rupee	13.33
Sierra Leone (S)	Leone	2.1694
Singapore (S)	Singapore $	4.4075
Solomon Islands (S)	Solomon Is. $	1.8068
Somali Republic	Somali Shilling	(A) 12.737
South Africa (S)	Rand	1.71096
South West African Territories (S)	S. A. Rand	1.71096
Spain	Peseta	140.15
Spanish ports in North Africa	Peseta	140.15
Sri Lanka (S)	S. L. Rupee	31.3840
Sudan Republic	Sudan £	(A) 0.8094
Surinam	S. Guilder	3.6220
Swaziland (S)	Lilangeni	1.71096
Sweden	S. Krona	8.84
Switzerland	Swiss Franc	3.4075
Syria	Syria £	(A) 7.9422
Taiwan	New Taiwan	(P) 72.846
Tanzania (S)	Tan. Shilling	15.75
Thailand	Baht	41.0325 (sg)
Togo Republic	C.F.A. Franc	434½
Tonga Islands (S)	Pa'anga	1.8067
Trinidad (S)	Trinidad & Tob' $	4.8564
Tunisia	Tunisian Dinar	0.790 (sg)
Turkey	Turkish Lira	50.10
Turks & Caicos	U.S. $	2.0235
Tuvalu	Australian $	1.8060
Uganda (S)	Uganda Shilling	14.81
United States	U.S. Dollar	2.0235
Uruguay	Uruguay Peso	(cm) 14.96
		(fn) 15.03
Utd. Arab Emirates	U.A.E. Dirham	7.78
U.S.S.R.	Rouble	1.33
Upper Volta	C.F.A. Franc	434½
Vatican	Italian Lira	1699.5
Venezuela	Bolivar	8.67
Vietnam	Dong	(O) 4411
		(T) 4.070 (¶)
Virgin Islands U.S.	U.S. Dollar	2.0235
Western Samoa (S)	Samoan Tala	1.4579
Yemen	Ryal	9.20 (sg)
Yugoslavia	New Y Dinar	38.0807
Zaire Republic	Zaire	1.156588
Zambia	Kacha	1.60

*That part of the French community in Africa formerly French West Africa or French Equatorial Africa. † Rupees per pound. ‡ General rates of oil and iron exports 84.997. ¶ Based on cross rates against Russian rouble. ** Rate is the Transfer market (controlled). †† Rates is now based on 2 Barbados £ to the dollar. ‡‡ Now one official rate. (U) Unified Rate. Applicable on all transactions except countries having a bilateral agreement with Egypt, and are not members of IMF.

NORTH AMERICAN NEWS

New bank charges guide imminent

BY STEWART FLEMING IN NEW YORK

IN ANOTHER step designed to try to shore-up the credibility of the price guidelines in its anti-inflation policy, the Carter administration is expected later this week to propose guides for financial institutions, including commercial banks.

Since the effort to devise wage and price guidelines to control inflation began late last year, the Council on Wage and Price Stability has been struggling to find a means of applying the price restrictions to the banking sector.

The basic problem is one which has been encountered in other countries employing price control policies, namely that price a bank charges for its most important service—lending money—is set by interest rate trends in the economy. The only way to interfere with the pricing policy is to interfere with monetary policy in the economy. Such a step would create chaos in the financial sector and pose more problems for economic policy than it solves.

In recent weeks, however, the Carter administration has been taking a harder line on the pricing guidelines of its anti-inflation programme. In part, this shift of emphasis has been designed to meet criticisms that the guidelines are tougher on labour than on business. With the critical test of the wage guidelines coming in the next few weeks as negotiations by the Teamsters' Union over a new contract reach a climax, the administration is anxious to rebut such criticism.

Unless there are last minute changes, the administration will propose that financial institutions would be asked to keep their return on assets equal to or below the average return for any three of the past five years. If this test cannot be met, they would be asked to apply other guidelines, including limiting increases in their dividend payments.

The impact of these guidelines cannot be assessed until the administration releases details since the financial institutions will be permitted to make adjustments as yet unspecified in making the return on assets calculations.

The attempt to apply the guidelines to the banking sector seems certain to run into criticism. Vigorous efforts to *control return on assets, for* example, would remove the incentive to try and improve productivity.

On the other hand, if the guidelines are too loosely drawn they will be attacked as having more symbolic than practical value.

Charter seeks control of Carey Energy

JACKSONVILLE—Charter Co said it has tentatively agreed to acquire 80 per cent of Carey Energy Corporation for cash or Charter convertible preferred stock having already purchased 20 per cent of Carey's stock for $4m.

Carey is the privately-held oil empire of Mr. Edward M. Carey, brother of New York's Governor, Hugh Carey.

Charter *said its acquisition* proposal would involve a restructuring of Carey's debt and operations. It has been engaged in extensive discussions with Carey's major creditors and certain of the creditors and Carey have agreed to suspend litigation while negotiations proceed.

Carey's assets include a 65 per cent interest in a 500,000 barrel a day refinery in Freeport, The Bahamas. Charter owns a 70,000 a day refinery in Houston.

The Carey empire includes *oil tankers, oil-producing* properties, valuable long-term contracts, overseas producers and fuel oil supply contracts for deliveries *to major electric* utilities on the East Coast.

Agencies

Sharp growth at casino group

BY DAVID LASCELLES IN NEW YORK

RESORTS INTERNATIONAL registered a spectacular profits gain last year, thanks to its Atlantic City Casino, the first *casino in the U.S. outside* Nevada.

The company reported yesterday that net earnings for the year were *$51m or $4.57 a share*, compared with $3.0m or 31 cents in 1977. Revenue last year was also sharply up, $247.6m, *against $59.5m.*

According to a breakdown of earnings, all segments of the company's operations improved their performance. But by far the biggest slice came from Atlantic City, where the casino *opened in May.*

The combined hotel and casino operations there had net sales and revenues of $156.6m compared with $5.9m the year before, when only part of the hotel was in business. The operation's pre-tax profits were $86.1m.

Resorts' Bahamas casino and hotel increased turnover from $43.7m to $77.6m, and its theme park in California from $61.2m to $247.6m.

The Atlantic City figures are roughly in line with the $100m annual rate projected at the time of the casino's opening, though generally results have been better than expected.

It is unlikely, though, that resorts will maintain this pace. Caesar's World still hopes to open up its casino before the end of May, and shortly afterwards Bally Manufacturing will also enter the race.

International Harvester ahead

BY OUR FINANCIAL STAFF

NET PROFITS of International Harvester, the Chicago group which has a strong presence in the UK, totalled £29.4m in the first quarter of the current financial year, compared with *£5.3m for the same period in* 1978.

First quarter sales increased 35 per cent over last year to a record £800m.

Strong sales increases are reported for all producer lines, against 1978. Truck sales, including that of the British heavy-truck concern, Seddon Atkinson, rose 35 per cent to a record £401m. Agricultural *sales—including that of the* British offshoot, which claims 16 per cent of the UK farm tractor market—were up 36 per cent to a record £294m. Sales of construction and industrial equipment (10 per cent of the UK construction equipment market is claimed) were up 19 per cent to a record £90.6m. Turbine machinery recorded a 119 per cent increase in sales to £29.7m.

Agricultural equipment sales by International Harvester in Europe were ahead of last year's first quarter.

In the U.S., there were increased market shares in combine harvester and tractors of 100 horsepower and over.

The new private Vickers Canada

By Robert Gibbens in Montreal

EARLY LAST year, Vickers of the UK let it be known that its 72 per cent-owned Canadian Vickers subsidiary in Montreal was for sale. There followed at least two abortive bids—including one from the Bombardier snowmobile, locomotive and rail-equipment builder.

After negotiations failed in *London, Canadian Vickers* president, Harold Blakley, and a group of senior employees decided to take matters in their own hands. With the financial backing of one of the Canadian chartered banks, and with part of their own resources, they themselves bid for the 72 per cent controlling interest of UK Vickers.

The bid last November was C$50 a share, or nearly twice the level at which Canadian Vickers stock had been trading in the market. If all the stock were tendered, that would commit them to $28m.

The bid won approval in London, and the new controlling group led by Mr. Blakley went on to buy 100 per cent of the stock.

The company has been renamed Vickers Canada Inc., retaining an old and illustrious name. The old Canadian Vickers began as a shipbuilder in 1911, and after the last war went on to build some of Canada's best-known destroyers. However, the company went out of shipbuilding about 15 years ago as Canadian costs became too high. It remained a highly-efficient ship repairer and branched out into heavy steel fabrication, general engineer*ing and nuclear* power station products.

Mr. Blakley comes from a farming background in the Peace *River area of Alberta. After* serving with the RCAF in Europe during the war, he studied engineering and business *administration* at the University of Toronto.

Later he joined Ashland Oil in Cleveland as a sales engineer, returning in two years to Canada with Babcock and Wilcox, Galt, Ontario. In 1959 he became president of Crane Canada Ltd., the Canadian arm of Crane of the U.S., in Montreal.

After three years, he was appointed president of Consolidated Bakeries in Toronto, part of the Labatt group: in 1964 president of Carling Breweries, Toronto, now owned by Rothmans; and in 1967 left to lead a group which bought Formosa Spring Brewery in Ontario.

"Two years later we sold the company to Philip Morris of the U.S. and I stayed on as president for a year. I left to acquire control of Columbia Brewing Company in British Columbia, which we later sold to the Labatt group." Again he stayed on as president for a year.

Then he got a call one day from a head-hunter looking for an executive vice-president and president-elect for Canadian Vickers in Montreal. After three trips to Montreal, he took the job under chairman Eric Harrington in April, 1977.

Now Mr. Blakley and partners, Jim Marcogliese, vice-president, administration, William Rhodes, vice-president, marine, *Harry* Reynolds, vice-president, ship repair, Syd Gray, vice-president, finance and secretary, Andre Labarre, vice-president planning and production, and Greg Short, treasurer, are owners of the newly-named Vickers Canada Inc.

There are over 1,500 employees, and the shops in the East End of Montreal are humming with activity. The company is building important parts for five Ontario nuclear reactors and has contracts to do similar work for two more. Value of the work is more than $40m.

The company is also working on a $35m order for rapid-transit railcars for Philadelphia, and is refitting four destroyers for the Canadian Armed Forces in a contract for about $20m.

"Significant contracts" are also being filled for the U.S. Defence Department. However, much of this work was "inherited" from the old company.

"We are now formulating specific plans for new products, and we'll be making them public in the next two or three months," said Mr. Blakley. "We have no plans to invest in facilities outside Quebec. We have faith in the future of Quebec as an integral part of Canada. If we did not, we would not have risked $28m.

"But nearly 90 per cent of what we make in Montreal is for customers outside Quebec. We will be making strong efforts to obtain our fair share of business from the Quebec Government and its agencies such as Hydro-Quebec" (the power utility). "Both the City of Montreal and the province have gained many benefits from our company."

EUROBONDS

Major sectors steady as trading volume declines

BY FRANCIS GHILES

PRICES WERE steady in all major sectors of the international bond markets yesterday with trading both in dollar and sterling-denominated bonds reduced to a trickle. A new floating rate note was announced for the Israel Discount Bank, which is being arranged on a private basis.

The borrower is the Netherlands Antilles subsidiary of the Israel Discount Bank Ltd., which is guaranteeing the issue. The amount of this five-year bullet is $30m and the borrower is paying an interest rate of ½ per cent over six month Libor with a minimum rate of 7 per cent. These are final terms and they also include pricing at par.

The United International Bank issue has been priced at par with conditions otherwise unchanged.

Of the new dollar issues, the most interesting is the $25m convertible for Esselte. The Swedish company has been expanding swiftly overseas during the past three or four years, using cash generated by its domestic business to buy companies with greater growth potential abroad.

Resources created in Sweden are not freely transferable but create increased borrowing potential abroad. The nine-month interim report issued last month showed Esselte on target for 30 per cent growth in earnings to SKr 220m in 1978-79, while sales were expected to reach SKr 3.4bn for a growth of SKr 1bn, the bulk of which will stem from the Dymo acquisition.

The company will seek a share listing on the London stock exchange later this year.

In the Swiss franc market, the gentle rally in prices initiated last week continued. The improvement in the secondary market yesterday was led by a rise in the price of the two most recent issues, the City of Oslo and the Canada public bond. The first finished the day at 97½, the second at 97½-97¾.

The City of Bonn is arranging a SwFr 20m eight-year private placement with an interest rate of 3¾ per cent through Swiss Bank Corporation. The last time the City arranged a borrowing in Swiss francs was in December, 1977. The Bundesbank is understood to have expressed its displeasure, as such borrowing by local authorities would, if it becomes more common, upset the tight rein over monetary control the central bank keeps. The Bundesbank is also understood to be upset because it was not consulted beforehand as a gentleman's agreement between local authorities and the bank calls for.

In the Kuwaiti dinar sector, the KD 5m issue for the Finnish Mortgage Banks was priced at par with indicated conditions otherwise unchanged by the lead manager, Kuwait Investment Company.

RESULTS IN BRIEF

Gain for Sea Containers despite late profits slip

NEW YORK — A weaker fourth quarter at Sea Containers has still left profits for the full year showing a gain to $29.9m from $26.1m, or to $3.48 from $3.45 per share. Sales rose to $131.7m compared with $88m previously.

In the final quarter, net earnings slipped to $6.1m from $8.1m or to 69 cents from $1.07 on sales of $36m against $26m the preceding fourth quarter.

Jonathan Logan, children's and ladies' clothier, reported lower earnings for the year of $9.6m against $10.6m or $1.77 against $1.89 a share the year before. *Sales of* $400.7m slipped from $405.3m. The final quarter saw earnings fall to $828,000 from $1.4m, or to 18 cents from 25 cents a share. Sales increased to $97.6m from $94.9m.

Hospitals and laboratories group, American Medical International, scored a successful second quarter, with earnings rising to $6m from $4.6m or to 79 cents from 62 cents a share, on *sales of $126.4m against* $105.1m. For the first half, net earnings were $11.5m against $8.6m, or $1.42 against $1.12, on *sales of $244.9m against $201m.*

Year end figures from Superior Oil showed a slump in operating profits to $30.9m from $62.5m, or $7.81 from $15.63 per share. Sales increased to $730.9m from $545.2m.

Agencies

Sohio urged to reconsider pipeline plan

LOS ANGELES — Standard Oil of Ohio might reconsider its decision to abandon a $1bn oil pipeline if all obstacles to the project could be removed within six months.

But despite assurances from state and federal officials, Mr. F. Harlan Flint, Sohio's assistant director of Government affairs, expressed doubts that the *remaining permits* could be obtained and court challenges resolved in that period of time.

Mr. Flint attended a meeting on Saturday called by Senator Alan Cranston in an effort to revive plans for the proposed super-tanker terminal and overland pipe system.

AP-DJ

FT INTERNATIONAL BOND SERVICE

The list shows the 200 latest international bond issues for which an adequate secondary market exists. For further details of these or other bonds see the complete list of Eurobond prices published on the second Monday of each month.

Closing prices on March 19

U.S. DOLLAR STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Bayer Int. F. XW 7¾ 89	200	83¾	84¾	+0½	0	9.28
CECA 9¼ 84-89	50	95¾	96¼	−0¼	−0¼	9.82
Canada 9 83	400	98	98½	+0¼	0	9.70
Canada 9¼ 98	350	96	96½	+0⅛	−0¼	9.91
Canadair 8¾ 83	70	95	95½	0	−0¼	9.90
Dominion Bridge 9 86	25	93½	98	−0¼	−0¼	10.25
Dow Chem. O/S 9¼ 94	200	97	97½	0	0	9.98
EIB 9¼ 98	125	94	94½	−0¼	+0¼	10.03
EIB 9⅝ 98	150	98¼	98¾	—	—	9.83
EIB 9⅞ 98	100	98¾	100¼	—	—	10.12
Export Dv. Cpn. 9.85 84	150	100⅛	101	0	0	9.88
Export Dv. Cpn. 9¾ 84	100	97¼	97¾	0	+0¼	9.87
Eksportfinans 9 86	50	95¾	96¼	0	−0¼	9.76
Finland 9 88	100	94¼	95¼	−0⅛	−1	10.06
Finland 9½ 88	100	97¼	97¾	0	−1¼	10.04
GTE Fin. 9¾ 84	50	97¼	98¼	0	−0¼	10.03
Gould Int. Fin. 9¾ 85	50	99¼	99¾	0	0	9.83
Hospital O/S 9 83	25	97¼	97¾	+0¼	+0¼	9.72
Hudson Bay Co. 10 94	50	100¼	100¾	0	−0¼	9.96
Itel Finance 9½ 90	30	94¼	94¾	+0¼	−0¼	10.56
J. C. Penney 8½ 83	100	95⅞	96¼	+0¼	+0¼	9.60
Manitoba 9½ 88	75	96¾	97¼	0	0	9.99
Nat. West. 9 86	75	95¾	96¼	−0¼	−0¼	9.68
New Brunswick 9¾ 94	75	97¼	97¾	−0¼	−0¼	10.06
Newfoundland 10 94	50	98¾	99¼	0	−0¼	9.88
Norsk Hydro 9¼ 94	50	94¾	95¼	0	−0¼	9.88
Norway 9½ 83	150	98⅞	99⅜	+0¼	+0¼	9.51
Norway 9¾ 84	150	100⅝	100⅞	+0¼	+0¼	9.61
Portland 10 84	50	96⅞	97¼	−0¼	+0¼	10.77
Quebec Hydro 9½ 93	50	96¾	96⅞	+0¼	−0¼	9.94
Redland Fin. XW 9¼ 91	25	91½	92¼	0	+0¼	10.74
Sears Roebuck 9 82	150	97¾	98¼	0	−0¼	9.76
Stockholm 9¾ 94	50	99	99½	—	—	10.09
UK 9½ 95	200	95¼	96¼	−0¼	0	9.85
UK 8¾ 93	150	94¾	95¼	0	0	9.76

DEUTSCHE MARK STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
American Ex. Int. 5½ 87	70	96¼	96¾	−0¼	−0¼	6.05
Argentina 6½ 88	150	93¾	94½	−0¼	−0¼	7.37
Australia 6 88	250	99¼	99¾	−0¼	−0¼	6.06
Austria 5½ 90	150	†92¾	93¼	0	+0¼	6.64
Banco Desarrollo 7¼ 86	100	98¼	98¾	+0¼	+0¼	7.53
Bankamerica 5¾ 90	150	97¼	98¼	0	−0¼	5.99
Bq. Ext. Algerie 7¼ 85	100	96¾	97¼	0	+0¼	7.84
Brazil 7¼ 87	150	100	100½	−0¼	−0¼	7.20
CECA 6 88	150	96¾	97¼	−0¼	+0¼	6.40
Ch. Manhttn. O/S 6 93	100	99¼	99¾	0	0	6.06
Commerzbank XW 3½	100	†81¼	82¼	+0¼	+0¼	6.13
Copenhagen City 6 90	75	91¾	92¼	+0¼	0	6.98
Council of Europe 6¼	130	97¼	97¾	0	+0¼	6.82
Denmark 6¼ 85	100	99¼	99¾	0	+0¼	6.37
Denmark 6½ 89	100	97¼	97¾	0	+0¼	6.87
EIB 6 90	300	[illegible]	[illegible]	−0¼	−0¼	6.83
EIB 6½ 91	200	96½	97	−0¼	−0¼	6.91
Eletrobras-Brazil 7 87	100	97¼	97¾	0	−0¼	7.47
Eurofima 6¼ 89	100	100¼	100¾	+0¼	+0¼	6.47
Finland 6 83	150	99¼	99¾	0	0	6.12
Hitachi Ship. 5¾ 83	50	98½	99	−0¼	+0¼	6.05
Indonesia 7 84	100	98¼	98¾	−0¼	0	7.35
Kobe, City of 5¾ 86	100	98½	99	+0¼	−0¼	5.98
Mexal Fin. 7 88	150	98¼	98¾	−0¼	+0¼	7.71
Mitsubishi Petro. 5¾ 85	100	98¼	98¾	−0¼	+0¼	6.01
New Zealand 6¼ 87	200	99¼	99¾	0	−0¼	6.29
Nippon Kokan 7½ 84	100	99¼	99¾	—	—	7.62
Nippon Steel 5¾ 85	100	97¼	97¾	0	0	6.09
Nippon Tel. & T. 5¾ 87	100	95½	96	−0¼	−0¼	6.70
Nordic Inv. Bk. 6¼ 88	60	98	98½	0	0	6.57
Norges Komm. 6 90	100	95¼	95¾	0	−0¼	6.58
Norges Komm. 6¼ 89	150	97¾	98¼	+0¼	+0¼	6.53
Occidental 6¾ 90	150	96¾	97¼	0	+0¼	7.13
OKB 6½ 88	100	99¾	100¼	0	−0¼	6.49
OKB 6 87	40	97¾	98¼	+0¼	+0¼	6.71
Petroleo Brazil 7 88	100	97¾	98¼	0	0	7.31
Ricoh 5¾ 83	30	97¼	97¾	−0¼	−0¼	[illegible]
Statoil 6 88	150	95¼	95¾	0	−0¼	6.62
Statoil 6½ 89	150	97¾	98	0	0	6.80
UDS Group 6¾ 83	65	96½	97¼	+0¼	+0¼	[illegible]
Union Bank Finn. 6½ 88	50	95	95½	0	0	7.19
Venezuela 6½ 90	150	92¼	93	−0¼	−0¼	7.45
World Bank 6¼ 88	400	97¼	97¾	0	+0¼	6.60

SWISS FRANC STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Acesa 5¾ 88	40	102½	102¾	+0¼	+0½	4.86
Amer. Exp. Int. 3½ 93	40	97¼	98	−0¼	−0¼	3.69
Asian Dev. Bank 3½ 94	100	†91½	91¾	+0¼	−0½	4.27
Austria 3½ 93	100	96¼	96½	+0¼	+0½	3.83
Brazil 4¾	100	99⅞	100¼	+0¼	+0½	4.25
Chase Manhattan 4 93	70	101	101½	+0¼	+2½	3.88
Council of Europe 4¾	100	100¼	100¾	0	+0¼	4.21
Bankamerica 3¾ 93	80	99¼	99¾	+0¼	−1¼	3.81
BNDE 5 88	75	100¾	101¼	−0¼	−1¼	4.78
Denmark 4½ 90	100	†97¼	97½	−5½	−4¼	4.80
EIB 4¼ 93	100	101	101¼	+0¼	−1¼	4.14
Euratom 4¼ 93	80	99¾	100¼	+0¼	−0¼	4.25
F. L. Smidth 4½ 89	25	101¼	101½	−0¼	−1¼	4.33
Finland 4¾ 93	80	101¼	101½	+0¼	+0¼	4.37
GZB 4¾ 93	100	102½	102¾	+0¼	+0¼	4.75
Heron 4¼ 89	35	98¾	99	−0¼	−1	4.39
ICI Fin. NV 3¾ 94	230	95	95½	+0¼	+2	3.93
Malaysia 4¾ 90	80	98¾	99	+0¼	+0¼	4.88
New Zealand 3¾ 94	120	94½	94¾	−0¼	−1¼	4.00
Norges Komm. 4¼ 90	100	101½	102	0	−0¼	4.04
Oy Nokia 5 90	20	103	103½	0	+1¼	4.61
Philippines 4¾ 89	50	98½	99¼	—	—	4.89
Sandvik 4 90	85	97¼	97¾	−0¼	−2¼	4.27
Spain 4 91	100	98¼	98½	—	—	4.17
Voest-Alpine 4½ 93	100	102¼	102¾	+0½	+0¼	4.26
Vienna 4 93	100	100¼	100¾	+0½	+0¼	3.98
World Bank 4¼ 93	250	101	101¼	+1¼	+1¼	4.13

YEN STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Asian Dev. Bank 5¾ 88	15	87½	88½	−0¼	−0¼	7.58
Australia 5.6 83	[illegible]	96½	97¼	−0¼	−0¼	6.54
Australia 6½ 88	20	93½	94¼	0	0	7.57
Finland 5.6 83	10	95	96	−0¼	−0¼	6.83
Finland 6.8 88	10	93½	94½	0	0	7.83

OTHER STRAIGHTS	Issued	Bid	Offer	Change on day	Change on week	Yield
Nordic I. Bk. 8 84 SDR	20	98¼	99¼	—	—	9.1
Auto Cote B. 7 93 EUA	15	91¼	92¼	0	−0¼	7.8
Komm. Inst. 7½ 93 EUA	15	97¼	98	+0¼	+0¼	7.8
Panama 8¼ 93 EUA	20	†95	96	+0¼	+0¼	8.8
SDR France 7 93 EUA	22	94½	95¼	+0¼	+2	7.8
Algemene Bk. 6¾ 83 Fl	75	95¼	96¼	0	+0¼	7.8
CFE Mexico 7¼ 83 Fl	75	98¼	98¾	0	0	8.1
EIB 7¾ 85 Fl	75	94½	95¼	+0¼	0	8.2
New Zealand 6¾ 84 Fl	[illegible]	94¼	95¼	+0¼	0	7.8
Norway 8¼ 84 Fl	100	100½	101¼	−0¼	+0¼	8.0
Elf Aquitaine 9¾ 88 FFr	150	98¼	99¼	0	−0¼	9.8
EIB 9¾ 88 FFr	200	99	99½	0	0	9.8
Norway 9¼ 84 FFr	200	99¼	100	0	+0¼	9.3
PSA Peugeot 9¾ 87 FFr	175	98¾	99¼	0	+0¼	9.8
Total Oil 9¾ 87 FFr	150	98	99¼	—	—	9.8
Unilever 10 85 FFr	100	101¼	101¾	0	0	9.6
CECA 9¾ 89 £	20	87¼	88	+0¼	−0¼	11.8
Citicorp 10 93 £	20	87	87½	+0¼	0	11.6
EIB 9¾ 88 £	25	90	90½	0	+0¼	11.8
Finance for Ind. 13 91 £	15	100¾	101¼	−0¼	−0¼	12.8
Fisons 10½ 87 £	[illegible]	90½	91¼	0	−0¼	11.97
RAT 8 88 LuxFr	250	97¼	98¼	0	+0¼	8.3
Bayer Lux. 8 86 LuxFr	250	97¼	98¼	0	+0¼	8.2
EIB 7¾ 88 LuxFr	250	96¾	97¾	0	+0¼	8.1
Finland I. F. 8 88 LuxFr	250	97¼	98¼	0	0	8.3
Norway 7¾ 83 LuxFr	250	97¼	98¼	0	0	8.3
Norges Km. 8 86 LuxFr	500	99	100	0	+0¼	8.0
Renault 7¾ 88 LuxFr	500	96¾	97¾	0	0	8.1
Solvay Fin. 8 85 LuxFr	500	100	101	0	−0¼	7.8
Swedish Bk. 8 88 LuxFr	500	99¼	100¼	0	+0¼	8.0

FLOATING RATE NOTES	Spread	Bid	Offer	C.dte	C.cpn	C.yld
Arab Intl. Bank M6.5 83	0¼	98¼	98¾	31/7	11.44	11.6
BFG Fin. Co. M5.5 89	0¼	99¼	99¾	12/7	12.4	12.5
Bco. El Salvador M8 83	1¼	97¾	98¼	12/4	11.31	11.5
Bco. Nac. Argnt. M8 83	0¾	99¾	100¼	21/7	12¼	12.2
Banco Urquijo 6 86	0¼	97¾	98¼	21/3	—	—
Bank of Tokyo M5½ 83	0¼	97¾	97⅞	18/4	10½	10.7
Banque Worms M5¾ 85	0¼	98¼	98¾	16/6	12	12.2
Bq. E. d'Alg. M8.375 84	0¼	96¼	97	9/8	11¾	12.2
Bq. Ext. d'Alg. M7.5 85	0¼	95¼	95¾	2/5	12¾	13.3
Bq. Indo et Suez M5½	0¼	99	99½	25/7	12	12.0
Bq. I. Af. Occ. M6.5 83	0¼	97¼	98¼	12/7	12.4	12.6
BNP 5½ 91	0¼	97¾	98¼	22/2	11¾	11.6
CCCE M5.25 98	0¼	97¾	98	3/8	11¾	11.8
Ch. Man. O/S M5½ 93	0¼	97½	98	27/7	11.73	11.9
Citicorp O/S Fin. 5 94	0¼	99¼	99¾	8/8	11.06	11.1
Credit National M5¼ 88	0¼	98¼	98¾	11/7	12.31	12.5
Gotabanken M6 88	0¼	98¼	98¾	16/5	12.31	12.5
Ind. Bk. Japan M5¼ 85	0¼	99¾	100¼	1/6	12.35	12.3
Ljubljanska M7.75 85	1	97¼	98	18/7	12.94	13.2
LTCB Japan M5¼ 85	0¼	99¼	99¾	9/5	12.06	12.1
Midland Intl. M5¼ 83	0¼	98¼	98¾	20/7	12¼	12.3
Nat. West. M5½ 90	0¼	99	99½	21/6	12½	12.5
Nipp. Crdt. Bk. M5.5 85	0¼	99¾	100¼	22/6	12.81	12.8
OKB M5¼ 88	0¼	99¾	100¼	18/4	10.56	10.5
Offshore Mining 86	0¼	99¼	99¾	19/7	12.19	12.3
Petro Mexicano 7¼ 84	0¼	98¾	99¼	24/7	12.06	12.1
Privredna Banka M8 86	0¾	95¾	96¼	22/6	13.44	13.9
Standard Chrt. M5.5 90	0¼	97¼	97¾	10/8	11.56	11.8
Sundsvallsbnkn. M6 85	0¼	97¼	97¾	4/4	10.06	10.3

CONVERTIBLE BONDS	Cnv. date	Cnv. price	Bid	Offer	Chg. day	Prem
Asics 5¾ 93	9/78	828	88	88¾	−0¼	4.6
Baker Int. Fin. 5½ 93	1/79	34	111½	112	+1	2.3
Boots 6½ 93	2/79	2.16	103¾	104¼	−0¼	−5.1
Ciba-Geigy O/S F 4 94	9/79	675	93¼	94¼	0	−17.2
Coca-Cola Bottling 6¾	4/79	9	84½	85	−0½	22.4
Honda Motor 5½ 89	6/79	532	90¼	91¼	−0½	3.3
Ito-Yokado 5¾ 93	6/78	1339	113¼	114	−0¼	−0.8
Novo Industri 7 89	4/79	269	90½	92¼	+0¼	11.2
Texas Int. Air. 7¾ 93	4/79	14.5	91½	92½	+0½	7.7
Thorn Int. Fin. 7 88	11/78	3.67	110¼	111	+0¼	−2.5
Tyco Int. Fin. 8½ 88	9/78	21	100¼	101¼	+0¼	13.4
Asahi Optical 3¼ DM	12/78	578	96½	97½	+0¼	1.6
Casio Co. 3¼ 85 DM	11/78	841	93¼	94½	+0¼	11.0
Izumiya 3¾ 86 DM	10/78	569	90¼	91¼	+0¼	14.7
Jusco 3¾ 86 DM	1/79	1154	88¼	89¼	−0¼	22.7
Kansai Elec. 4 84 DM	4/79	1350	92¼	93¼	+0¼	13.6
Konishiroku 3¼ 85 DM	1/79	612	91	92	+0¼	11.6
Marudai Food 3¼ DM	2/79	1033	89¼	90¼	+0½	28.8
Murata M. 3¼ 86 DM	11/78	864	97	99	0	1.3
Nipp. Air 3.6 88 DM	12/78	508	87	88	+0½	2.3
Nippon Shinpan 3¾ DM	8/78	738	95¼	96¼	−0¼	0.8
Nippon Yus. 3¼ 85 DM	1/79	251	92¼	93¼	0	[illegible]
Nissan Diesel 3½ 86 DM	2/79	477	89¼	90¼	0	9.2
Olymp. Opt. 3¼ 85 DM	2/79	703	99¾	100¼	+0½	0.8
Ricoh 3½ 86 DM	10/78	617	93¼	94¼	+0¼	16.6
Sanyo Electric 3¼ DM	11/78	296	89¼	90¼	−0¼	0.9
Sharp Co. 3½ 86 DM	2/79	487	92½	93½	+0¼	−0.0
Stanley Elec. 3¼ DM	11/78	623	89¼	90¼	+0¼	25.4
Tokyo Elec. 3½ 87 DM	4/79	476	91½	92½	−0¼	3.7
Tokyu Ld. Co. 4 85 DM	4/79	493	90	91	−0¼	9.5
Trio-Knwd. 3½ 86 DM	11/78	711	87	88	+1	33.4

* No information available—previous day's price.
† Only one market maker supplied a price.

Straight Bonds: The yield is the yield to redemption of the mid-price; the amount issued is in millions of currency units except for Yen bonds where it is in billions. Change on week = Change over price a week earlier.

Floating Rate Notes: Denominated in dollars unless otherwise indicated. M = Minimum coupon. C.dte = Date next coupon becomes effective. Spread = Margin above six-month offered rate for U.S. dollars. C.cpn = The current coupon. C.yld = The current yield.

Convertible bonds: Denominated in dollars unless otherwise indicated. Chg. day = Change on day. Cnv. date = First date for conversion into shares. Cnv. price = Nominal amount of bond per share expressed in currency of share at conversion rate fixed at issue. Prem = Percentage premium of the current effective price of acquiring shares via the bond over the most recent price of the shares.

INVESTMENT COMPANIES IN PORTUGAL

Unshackling the banking system

BY JIMMY BURNS IN LISBON

THE OPERATION of private nvestment companies in Portu- ;al could shortly be authorised —just four years after the Portuguese banking system was nationalised under the aegis of he Supreme Revolutionary Council.

The catalyst has been Portugal's application to join he EEC. This has been accepted in principle but membership clearly demands a nore market orientated conomy. In an effort to comply, Portuguese government officials have now come round to accepting that their banking system will have to be partly unshackled.

The exact details of the decree aw authorising the operation f private investment companies n Portugal are still a closely guarded secret but the principle guidelines have now become nown.

The law, based on a draft roject presented to the inance Ministry by the Bank f Portugal last summer, efines investment companies s "parabanking institutions." hese will be entitled to grant medium and or long term credit ither through their own esources or through the co-ordination of other sources of nance from credit institutions r from similar Portuguese nd foreign establishments.

In practice the investment ompanies could be as free to t as the Portuguese ationalised banks with one ajor difference. They will not e able to accept short term eposits. This restriction, early made as a sop to constitutionalists, is however, more than compensated for by two important factors which have emerged outside the definitions of the law.

The first is that the companies will be able to count on both the moral and financial support of foreign banks. Ministry of Finance officials are believed to have received five applications from groups wishing to be legally defined as investment companies.

Government officials are believed to have received no less than five applications—some of them with foreign backing—from groups wishing to be legally defined as investment companies

The two which appear to be in the most advanced stage of consideration are a financial consultancy formed last year by the Portuguese industrialist, Jose Manuel de Mello, together with Morgan Trust Guarantee, and Deutsche Bank, and a consortium of 10 businessmen from the north of Portugal. The latter have the backing of leading Dutch and U.S. banks.

Investment companies will be concentrating in a sector of the Portuguese economy which has been starved of credit in recent years. While the nationalised banks have tended to concentrate on short-term financing, particularly of big projects in the public sector, investment companies will concentrate on longer term credit to small- and medium-sized private concerns.

Significantly, investment companies have so far received their strongest support from the Confederation of Portuguese Industry (CIP) which claims to represent over 35,000 of these companies. Since 1975, CIP has consistently protested against what it sees as the discrimination against the private sector practised by the Portuguese banks.

Now that the investment companies are on the verge of being authorised, CIP is beginning for the first time to be convinced of the government's pledge that it is about to make the private sector an "important motor of the Portuguese economy."

At the same time, private investors are attaching great importance to an alternative project for investment companies recently presented to the Finance Ministry by a team of economists belonging to, Portugal's large and influential Social Democrat Party (PSD). This draft is considerably more "liberal" than the Bank of Portugal project, particularly in regard to government intervention in the operations of the investment companies.

According to the central bank project, the Government will be able to establish additional conditions and restrictions once the investment companies have been authorised by decree law. It also contains a provision allowing the Finance Ministry to appoint Government officials to the Boards of the investment companies.

Both these clauses, however, are excluded from the PSD project. Another important difference between the two is on the question of whether funds issued by the Government as compensation for companies nationalised following the revolution will be able to be injected as capital into the investment companies. The Bank of Portugal draft proscribes this, while the PSD accepts that as much as two-thirds of the compensation funds could be utilised in this way.

Investors are hoping that the PSD proposal may influence substantial amendments to the Bank of Portugal plan before the decree-law is finally issued. The Portuguese authorities are unlikely to cede to an open-door policy overnight, however.

Nevertheless, the very fact that investment companies are to be authorised at all is a significant development which is expected to have repercussions throughout the banking sector. Initially the companies will provide a useful merchant banking service, more flexible and intuitive than the "bread and butter" operations hitherto carried out by the nationalised banks.

Beyond this, investment companies are expected to attract foreign investment to Portugal particularly in the form of joint ventures, to promote exports, and revive the large number of lame duck companies struggling on the verge of bankruptcy as a result of the IMF-inspired credit restrictions.

Girozentrale balance sheet expansion

By Paul Lendvai in Vienna

[G]IROZENTRALE, the central [in]stitute of the Austrian [Sa]vings Banks, reports a 17.1 [pe]r cent increase in balance-[sh]eet total for 1978 to [Sc]h 121bn, or $9bn. Announc[in]g this today, at a press conference, Dr. Karl Pale, director-[ge]neral and chairman of the [bo]ard, added, however, that due [to] intensified competition and [a] narrowing of interest rate [dif]ferentials, the growth in [ea]rnings lagged well behind the [in]crease in turnover.

Thus interest income was up [on]ly by 2 per cent to Sch 108bn. [Ne]t profit was Sch 52m (com[pa]red to Sch 49m. Girozentrale [las]t year managed to consoli[da]te further its position in [in]dustrial finance, portfolio [in]vestments and international [bu]siness with special emphasis [on] East-West trade, Dr. Pale [st]ressed.

In view of the new banking [la]ws, the Girozentrale and the [sa]vings banks are now engaged [in] all kinds of banking business [an]d the central institute serves [as] a basis for the savings banks [on] their way to universal banks.

Turning to foreign business, [Dr]. Pale revealed that it was up [by] Sch 5.3bn to Sch 24.3bn thus [ac]counting last year for some [..] per cent of the total assets [ag]ainst 18.3 per cent a year [ea]rlier. The bank has also [str]engthened its position on the [do]mestic capital market.

Girozentrale has "visably [str]engthened" its position as a [so]urce of long-term finance for [in]vestments.

German bank pays same

[BA]YERISCHE VEREINSBANK [is] offering shareholders an un[ch]anged dividend while indicat[in]g improved profits for 1978. [Ho]lders are to be offered an [un]changed DM 9 per share [div]idend.

The bank is to allocate [DM] 20m ($11.11m) from 1978 [ne]t profit to open reserves [ag]ainst an allocation of DM 15m [in] 1977. Although Bayerische [Ve]reinsbank did not state [spe]cific 1978 profits, these are [un]derstood to be close to [DM] 80m, up about 10 per cent [fro]m 1977.

The bank's consolidated [ba]lance-sheet total rose 16.2 per [cen]t to DM 75.9bn at the end [of] 1978 from year-earlier [DM] 65.4bn. Agencies

Recovery speeds up at Arbed

BY GILES MERRITT IN BRUSSELS

ARBED, THE major Luxembourg-based steel group, has announced a substantial improvement in its 1978 performance. It has cut its losses to LFr 1.9bn ($66.7m) from the LFr 4.5bn level reached in 1977. Most significantly, losses of only LFr 400m were recorded in the second half of last year.

At the same time Arbed announces that it is to receive more than LFr 3bn in special grants from the Luxembourg Government to help finance its LFr 23bn five-year restructuring programme inside the Grand Duchy.

Arbed, which is Europe's 10th largest steel-maker, indicates that group turnover last year rose 11.1 per cent over the LFr 33.7bn reached in 1977. Increased exports and a firming of prices inside the EEC pushed total 1978 sales to LFr 37.5bn ($1.3bn). Once again, however, there is to be no dividend.

The Luxembourg group's full 1978 figures show a marked acceleration in the recovery trend established at the end of October, when half-year losses were shown to have been cut by 27 per cent from the LuxFr 2.19bn recorded in the first half of 1977. Turnover during the first-half also increased at a slightly slower rate than in the second half, rising by 4.5 per cent over the comparable 1977 period.

Arbed, which has substantial steel-making interests in Belgium and the Saar region of West Germany, as well as lesser operations in Brazil and Austria, is embarked on a LuxFr 40bn plus investment plan in Luxembourg and the Saar over the five years to 1983.

Under the plan it is to cut the work force in Luxembourg from 22,200 to 16,500, while maintaining steel production capacity there at 7-7.5m tonnes yearly. The LuxFr 23bn scheme is accompanied by a LuxFr 18bn programme in the Saar.

Last year, to help finance this restructuring, Arbed increased its capital from LuxFr 6.5bn to LuxFr 7.7bn, although to date only LuxFr 7.55bn has been taken up.

Overseas sales boost for Empain-Schneider

BY TERRY DODSWORTH IN PARIS

A LARGE improvement in overseas sales by Empain-Schneider, the Franco-Belgian steel, nuclear and engineering group, was one of the main reasons behind a 15.4 per cent increase in turnover last year from FFr 26.7bn ($6.2bn) to FFr 30.8bn.

The group was also buoyed up by a healthy intake of orders in 1977 from the nuclear industry. Framatome, a part of Empain-Schneider's Creuzot Loire subsidiary, is the leading company in the French power station building programme.

Although the accounts show a sharp deterioration in the order books last year (it took in contracts worth only FFr 29.5bn against FFr 41.7bn in 1977). Empain-Schneider warns that this will not give a clear indication of the amount of business to be done this year. These nuclear orders will spread over several years, it says, with the implication that this will sustain the level of activity.

The upturn in Empain-Schneider's capital goods activities means that this sector is becoming progressively more important in the group's overall business. Last year it accounted for 69 per cent of turnover against 61 per cent in 1965, while the metals division, which includes its special steels interests, contributed a little over 20 per cent of sales last year.

The company's French interests continue to generate the greater part of its turnover —some FFr 27.8bn last year against FFr 1.78bn in Belgium and FFr 1.3bn elsewhere.

Overseas sales of the French operations were particularly buoyant in 1978. They rose from FFr 12.1bn to FFr 15.6bn.

Downturn for Thyssen Bornemisza

By Charles Batchelor in Amsterdam

THE DECLINE of the dollar and the poor performance of some European subsidiaries meant both profit and turnover of the industrial holding company, Thyssen-Bornemisza, fell in 1978.

Net profit at Thyssen fell 2.5 per cent to Fl 108.3m ($54m). This followed a fall of 8 per cent in 1977 from the peak year 1976. Turnover fell 6.4 per cent to Fl 2.9bn ($1.45bn) after rising 19 per cent in 1977. Profit of the U.S. operations expressed in dollars rose more than 18 per cent, the company said. However, this was largely compensated for by the 14 per cent decline in the dollar against the guilder during the year.

Interpool, the U.S. container leasing company acquired in 1978, made an important contribution to profits. Several of the holding companies European operations had lower results. Thyssen-Bornemisza works through two operating companies, Thyssen-Bornemisza Europe, based in Amsterdam and Indian Head Inc of New York.

Pirelli holding company ahead

MILAN — Net profits up by L546m to L2.8bn are announced by Pirelli and Company for 1978. The Italian holding company is to distribute a L140 dividend to a larger number of shares than in 1977, when a dividend of L130 was paid. Pirelli said its better results chiefly derived from higher dividends from companies in which it holds large interests, namely Pirelli SPA and Societe Internationale Pirelli of Basel.

Meanwhile Worthington SPA posted net profit of L3.22bn for 1978, up from L2.22bn the previous year.

The company board decided the distribution of a L150 dividend a share, against L110 in 1977. AP-DJ.

Advance at TD Bank

BY TERRY GARRETT

NET EARNINGS of the international bank, Trade Development Bank Holding SA, increased from $28.6m to $33.7m in 1978, and the directors are increasing the dividend from $0.55 per share to $0.65.

Group assets rose from $4.16bn to a record $5.27bn including those of the 60 per cent owned Republic National Bank of New York, which passed $3bn. Deposits rose by nearly 30 per cent to $4.6bn.

The directors state that while it is too early to forecast for 1979, early indications for the year are encouraging. The bank evolved from a Geneva finance house founded in 1956 by Mr. Edmond Safra, whose family interests still control around 65 per cent of the equity. Its shares were floated in London in 1972, and they are also traded in Luxembourg.

● Orion Bank, the consortium bank which numbers National Westminster among its shareholders, reports a slight fall in pre-tax profit to £10.13m ($20.3m) for 1978 compared with £10.17m the previous year, writes John Evans.

Attributable earnings after tax were £7.85m compared with £5.3m, largely due to a change in accounting for deferred taxation. Without this change, earnings would have been £159,000 higher at £5.39m for 1978.

These results were achieved despite a substantial weakening of the dollar/sterling parity throughout last year, a decline in Eurocurrency margins, and the inactivity in Eurodollar bonds, the bank said. If the average dollar/sterling rate had been the same as in 1977, pre-tax profits would have been 19 per cent higher.

Orion managed and co-managed bond issues and syndicated bank credits last year in excess of $8bn for borrowers in 29 countries.

India sets year-end date for FERA decisions

BY K. K. SHARMA IN NEW DELHI

THE INDIAN Government is to settle outstanding cases involving the dilution of foreign holdings in Indian companies, under the Foreign Exchange Regulations Act (FERA), by the end of this year. Out of 883 applications received under FERA, decisions on 55 are pending.

Under FERA, all foreign companies must reduce their external holdings to 40 per cent unless they diversify their activities into high technology or export areas, or already come under these categories, the dilution can be completed in stages, but all companies concerned must make applications to the Reserve Bank, which is the administering authority.

Most companies have made applications but 53 have decided to wind up their operations in India, the most important cases being those of International Business Machines (IBM) and Coca Cola which quit India last year. Of these cases, 36 are shipping and airline companies.

Of the 55 pending applications, 22 are from drug manufacturing companies while many of the remainder are sterling tea companies—two categories which are posing the biggest problems since they wish t retain majority foreign holdings. Decisions on their applications are expected within a few months.

Out of the 828 applications dealt with so far, 114 companies sought holding of 51 per cent or 74 per cent, and of these permission was refused to 66 companies.

Peking office for Sun Hung Kai

BY ANTHONY ROWLEY IN HONG KONG

SUN HUNG KAI SECURITIES, the biggest of the securities houses here, has established an office in Peking.

The company, which also has substantial finance and property interests, is owned mainly by Hong Kong-Chinese interests—headed by the former Canton money-shop owner, Mr. Fung King Hey—and is reported to be the first Hong Kong Company allowed to set up a permanent office in Peking for over 30 years.

Sun Hung Kai's main objective in Peking will be to bring together Chinese and foreign interests interested in deals. A number of such deals, including construction and hotel contracts, are already in the pipeline.

This will bring Sun Hung Kai to some extent into competition with interests such as Jardine, Matheson, largest of the expatriate-run Hongs (or trading houses) here, which already has representation in Peking. However, SHK believes that its knowledge of Chinese custom and convention as well as language will give it an edge in this respect.

Sun Hung Kai's Peking office is a hotel suite—but the company has been given permission by the Peking authorities to designate is formally as an "office." At present the company has only one permanent representative in Peking but it is likely to expand this as business grows.

The development was announced in Sun Hung Kai Securities' latest annual report to shareholders in which Fung King Hey notes that his group has already built up a sound trading base in China.

Last year SHK formed an alliance with the French banking group Compagnie Financiere de Paris et des Pays-Bas (Paribas), which has a 17 per cent stake in the Hong Kong company and an option to increase this stake to 25 per cent. SHK also announced a link with Assurances Generales de France (AGF) recently, when it sold a 14.5 per cent stake in its insurance subsidiary to the French group.

Sun Hung Kai had to call on Paribas (as well as on the Hongkong and Shanghai Banking Corporation) last year when stock market rumours about supposed heavy gold dealing and stock market losses by the Securities company (which were denied) led to a run on the deposits of the finance subsidiary, Sun Hung Kai Finance. Sun Hung Kai has now largely recovered from this blow.

Mr. Fung says in his latest report that he views the current year with cautious optimism in spite of uncertainties facing the Hong Kong economy. He said that the group's results would be "satisfactory" this year but did not elaborate.

Recovery at Jardine Davies

By Hugh Peyman in Hong Kong

JARDINE MATHESON'S Philippine subsidiary, Jardine Davies has reported that 1978 consolidate net profit rose to 7.2m pesos ($240,000) from 0.8m pesos in the previous year. This figure is arrived at after a restatement of 1977 results to include the results of the subsidiary, Hawaiian - Philippine Company, for the 12 months to December 31, 1977. In the 1977 annual report, 15 months' profit from Hawaiian-Philippine was consolidated due to the change in the company's year end to December 31.

The profit is before provisions for unusual and non-recurring charges of 4.6m pesos against 12.8m pesos in 1977. Turnover however rose to 329m pesos from 282m pesos and a cash dividend of 0.10 pesos has been declared.

Mitsubishi Chemical reduces dividend

By Richard Hanson in Tokyo

THE Mitsubishi Cemical Industries, largest chemical concern in Japan, has lowered its dividend for the fiscal year to January—the first cut since 1966—because of poor sales in major product areas.

Net profits in the year fell 54.8 per cent to Y2.29bn ($11m), from Y5.06bn a year earlier as sales dropped 5.8 per cent to Y514.4bn ($2.5bn). The annual dividend was lowered to 8 per cent from 10 per cent. In 1966 it had been cut from 12 per cent.

Sales of coke to the steel industry (carbon products account for 30 per cent of sales) were down, as steelmakers' stockpiles increased, as were sales of raw materials for synthetic fibres and dyes to the stagnant textile industry.

For this year, the company is forecasting an improvement in sales to Y540bn and a jump in net profit to Y6bn. The outlook, however, is clouded by the potentially damaging impact of higher prices for naphtha, the basic material in producing petrochemicals, and supply difficulties expected this summer.

The company hopes that demand from the steel industry and other industries will recover from the low levels of last year if the economy as a whole continues to gain momentum.

Keck Seng Berhad

KECK SENG Berhad, one of the larger local companies, has declared a one-for-four scrip issue, following good profits during the past two years. The issue will increase paid-up capital to 25m ringgit (U.S.$11.4m).

The final dividend is 7.5 per cent, for an unchanged total of 15 per cent.

NEW THAI COMPANIES ACT

Some sharp teeth but no bite

BY PHILIP BOWRING

NEXT MONTH, a new public companies act comes into force in Thailand. The new Act follows related changes in the nation's Civil and Commercial Code which came into effect at the end of last year.

The new Companies Act has been several years in the making. It has been a subject of intense struggle between different interest groups in Thailand. Basically the struggle was between established business families which wanted to be able to carry on running their companies with a minimum of legislative interference. On the other hand were young, mildly radical, often western-educated, people in the bureaucracy, anxious to modernise company law, make directors more responsible for their activities, to encourage the growth of a share-owning middle class and to provide some protection for smaller shareholders.

However, now that the struggle is over and the new law is on the statute book, many are wondering whether the whole exercise has been worth it. On the one hand many of the aspects of the new law have been judged by both lawyers and businessmen to be impractical. On the other, it is quite possible that the new law will become a dead letter. The reason is that existing companies will not be forced to re-register under the new Act. They will be allowed to continue operations under the existing act.

What the new law does is to create a class of companies, known as "public limited companies," separate from the existing class of company established under the Civil and Commercial Code. Existing companies, or those established in the future under the old code, will henceforth be known as "private limited companies." The principal dividing line between the two is that any new company or an existing company which elects to re-register under the new law must have 100 or more shareholders. Public companies thus defined will have to meet much more stringent obligations than under the existing law. To ensure a wider spread of share ownership, the new law requires that no shareholder may hold more than 10 per cent of the shares of a public company, and that 50 per cent of the shares on issue should be held by persons who individually hold no more than 0.6 per cent of the issued capital.

Now that the struggle is over and the new law is on the statute book, many are wondering whether the exercise has been worth it. Many aspects of the new law have been judged by lawyers and businessmen to be impractical, and it is possible that the Act will become a dead letter. The reason is that existing companies will not be forced to register under the new Act—they will be allowed to continue operations under the old

Public companies will have to have a minimum paid up capital of not less than 5m bahts (U.S.$25,000). They must produce annual audited accounts which include, among other things, any interests that directors have in contracts with the company, and any interests the company has in other companies exceeding 10 per cent of their shares. The company cannot lend money to directors or employees, or to companies in which they or their immediate families have a stake of 50 per cent or more.

No offer for sale of shares or debentures to the public may be made without the issue of a prospectus. The prospectus requirements include the reasons the funds are being raised, provision of an audited balance sheet and details of earnings for the three preceding years.

These stipulations are stringent both in relation to existing requirements and to the family-based nature of almost all Thai businesses, as most companies are part of extended family groups, often with complex interlinkages. Critics of the act say the stringent demands on directors to disclose their interests, and the expectation that they avoid any possible conflicts of interest will be almost impossible to meet. Existing companies with 100 or more shareholders are, it is said, unlikely to be prepared to re-register under the new Act. In addition to the reporting requirements, many companies say they object to the wide powers given to the Registrar of Companies to approve prospectuses and to appoint inspectors to investigate a company.

They allege that there is too much scope for abuse of these powers. Concern is also caused by the tough responsibilities given to directors, and the scope given to shareholders to take legal action against them.

The basic problem for the new Act is that there is very little incentive for companies to register under it. The only significant thing that private companies cannot do is to publish any invitation for public purchase of shares, or issue debentures.

However, already merchant bankers point out that there are ways around the act, new shares can be issued to directors who can then see that they are made available to the public without publishing a formal invitation. Securities houses say that the Act could slow the momentum of new stock exchange listings. But a key to the Act's weakness is that it does not require publicly quoted companies to re-register as public companies, even though they enjoy tax concessions through being quoted. Another major retreat from the Act's original intent is that in the first draft all banks, insurance companies and other financial institutions were required to register as public companies, regardless of the number of shareholders they then had. That has been dropped.

Most lawyers and bankers seem to agree that it will be a long time before circumstances start forcing companies to become officially public—by which time it is thought possible the law will have been altered. Most have already taken the precaution of acquiring more than 100 shareholders, so they can increase shareholdings in the future without having to cross the dividing line between private and "new" public.

But some foreign investors are concerned that they may find themselves having to make the front running in following the Act if they want to spread Thai ownership of their concerns. However, it is generally agreed that it will be some time before the practical implications of the Act are clear. What is even less clear is what combination of conflicting interests within the Thai bureaucracy and business elites has produced an Act with some sharp teeth but no bite.

FINANCIAL TIMES SURVEY
Tuesday March 20 1979

Scottish Banking and Finance

The major Scottish clearing banks have to maintain a widespread branch banking system to serve the country's rural community. Partly because of the high cost of doing this, and because of growing competition from the savings banks, they are now looking at ways of reducing their expenditure.

A close look at costs

Ray Perman
Scottish Correspondent

year ahead for the three tish clearing banks, the d Bank of Scotland, Bank cotland and the Clydesdale, kely to be characterised by assault on costs. With and fairly depressed (and level of lending subject to nuing restriction) and the for manoeuvre on margins charges limited by competi- there is no other way to d profit levels.

e experience of the Scottish s is for historical reasons tly different from that of JK clearers. They are the ucts of a series of mergers n have left them with a sometimes irrational, ch structure, and, much than in England, they been subject to competi- from outside their own for personal account busi- — principally from the ous Scottish savings bank movement.

Between them, the three banks now support more than 1,500 branches. To some extent the geography and population distribution of Scotland makes this inevitable. Rural communities have to be served and all three banks have a good reputation for maintaining branches in remote areas, although in some cases this can hardly be profitable. However, in the cities and major towns it is still possible to see two or three banks belonging to the same company within a few yards of each other.

The Royal Bank has closed about 120 branches since its last merger in 1969, mostly as a result of amalgamations, and has opened 20 new ones in places where it was previously unrepresented. The Bank of Scotland has been following a similar policy and has nearly reached the end of its rationalisation programme.

But there is a limit to what can be done to improve efficiency merely by manipulating property and the banks are increasingly looking at ways of improving the profitability of the branches themselves. All three are now investing heavily in electronic equipment, both to improve administrative efficiency, for example, by faster cheque clearing, and to help increase and speed up customer business without increasing staff.

The Royal led the way with its Cashline machines, which offer a range of banking services and are operated by plastic cards issued to customers. In the first year of operation nearly 45,000 cards were supplied and the bank now has about 35 machines installed. The Clydesdale has computerised equipment in 29 of its branches, which allows customers to make transactions without signing cheques.

The Bank of Scotland held back from the electronic revolution, but is now pressing ahead. "We took a long time to be convinced, so that we missed the first generation of autotellers and are now going for second generation machines," says Mr. John Wilson, the bank's joint general manager. "We are wholly convinced now."

But parallel to this automation has to go an attempt to persuade Scottish bank customers to change their habits. To attract business from the savings banks, the clearers allowed deposit accounts to be used as quasi-current accounts, with frequent withdrawals in cash. Accounts used in this way are expensive to administer and attract no charges.

There will also be a new look at how much customers should be asked to pay for their banking services. The Price Commission report on charges last year showed that the Scottish banks derive less of their income from charges to customers than do the English clearers and that the proportion of their income from this source has been dropping.

In 1972 the three Scottish banks received 7.2 per cent of income from charges and 85 per cent from interest. The disparity increased during an intense period of competition between the banks in 1972, but, despite some readjustment, is now considerably wider than it was seven years ago. More than 90 per cent of revenue comes from interest and only 4 per cent from charges. The corresponding figures for the big four clearers are 87 per cent and 6.5 per cent.

Since the report, charges have been raised, although the Clydesdale still offers free banking on any current account kept in credit. Higher margins this year will, perhaps, encourage the banks to put off the problem, but it is one which they know they must come to grips with in the end—and independently, since the Price Commission also frowned upon the practice of agreeing through the committee of Scottish Clearing Bankers charges for local authorities and for special services such as night safes.

Yet, while encouraging the banks to make more realistic charges, the Commission also added to the Scottish clearers' costs. It pointed out that Scottish banks, again by agreement between themselves, were closed at lunchtimes for four weekdays, whereas the English clearers were not. In response to this criticism lunchtime opening is now being tested in a selection of branches in the major cities, but so far neither the banks nor the National Union of Public Employees is willing to say whether the experiment will become a permanent change.

Staff costs now account for around three-quarters of all bank costs. "We have managed to keep numbers of staff static for some time, but to talk in terms of reducing costs in absolute terms is almost unachievable," comments Mr. Bruce Patullo, deputy treasurer of the Bank of Scotland. All eyes are now on the negotiation with NUBE for the new pay settlement due to come into force at the beginning of next month.

The Price Commission also gave figures for the return on capital for the three Scottish banks, and it is interesting to compare these with the returns for the big four. Adjusted for inflation, the return fell from 8.3 per cent in 1972, to a low point of a 1.1 per cent loss in 1975, recovered to 5.3 per cent in 1976 and was 4.3 per cent in 1977.

For the English banks margins have fallen much more steeply: from well over eight per cent in 1972 and 1973, the return fell dramatically to losses of 1.3 per cent in 1974 and 4.7 per cent in 1975. The recovery was to three per cent in 1976 and 2.5 per cent in 1977.

Only two of the three Scottish banks have reported so far for 1978. The Royal turned in an operating profit of £28.2m for the bank and its subsidiaries, a 17 per cent drop on the 1977 figure of £34.1m. The chairman, Sir Michael Herries, pointed to the 14 per cent rise in operating costs through the year and the fall in average base rate from 10.72 to 7.85 per cent. The Royal suffers in comparison with the other clearers from its earlier year-end date, meaning that this year it will not benefit from the recent hoisting of interest rates which will benefit its competitors.

The Clydesdale—100 per cent owned subsidiary of the Midland—has released its preliminary figures but will not comment in detail on them until the full report is released. Trading profit was up by 48 per cent from £14m in 1977 to £20.7m. To some extent the size of this increase reflects the Clydesdale's late start in international business, which made big contributions to the profits increases of its rivals a few years back.

Until recently the Clydesdale relied on its parent bank for its currency dealing, but has now formed its own international division. Nevertheless, its recent performance is impressive, profits having nearly doubled in three years.

The Bank of Scotland does not report until next month. Its interim figures for the first half, released in September, showed a downturn of 4.4 per cent to £13.3m compared to the corresponding period in 1977, but the full year figures should reflect the improved margins since then and improved contributions from its two principal subsidiaries, the Merchant Bank, British Linen, and the finance house, North West Securities.

The head office of the Scottish Widows' Fund and Life Assurance Society in Edinburgh

Finance houses active

A special Land-Rover used by the Bank of Scotland for meeting clients at Sullum Voe oil terminal

IN SPITE of the traditional Scottish reluctance to fall into debt, finance houses in Scotland have done rather well in recent years. And this irony, in a country renowned for its propensity to save, is indicative of a variety of economic and social changes north of the border.

During the past four years Scotland has provided the finance houses with a fertile market, and all of the leading companies have active branches there. The Scottish banks have not failed to recognise the significance of this market and the three Scottish clearers, the Royal, the Clydesdale and the Bank of Scotland, are all closely linked with finance houses.

Close

The Royal has nearly 40 per cent in Lloyds and Scottish (as does Lloyds Bank); the Clydesdale has close associations, through the Midland Bank, with Forward Trust (both are wholly-owned subsidiaries of the Midland); and the Bank of Scotland has its own finance house in North West Securities.

Both the Royal and the Bank of Scotland have benefited substantially over the past few years from the profits contributions of their finance houses, whose earnings tend to be counter-cyclical to those of the banks. When rates are low, the finance houses do well, helping to compensate for the effect of reduced margins on bank profits.

The big four London clearers have also gained a foothold in Scottish finance through the finance houses, which were widely represented north of the border before the clearers themselves began to open Scottish offices.

Indeed, when the wide range of competitors facing the associates of the Scottish banks is considered, one begins to wonder if Scotland is big enough to support all these services. The answer, not surprisingly, is no: there are very few, if any, finance houses of any scale with operations limited solely to Scotland. However, there can be no doubt that, to some extent, the "Canny Scot" has forsaken the habits of generations and turned to credit as a means of achieving a desired standard of living.

Throughout Britain, finance houses derive about 40 per cent of their business from the consumer side of the trade. The rest comes from industrial clients. Although separate figures are hard to come by, it seems the split in Scotland is about the same. One expert suggests that on last year's performance the consumer market in Scotland is worth about £100m a year, and the industrial market twice that figure.

Shift

On the consumer side there has been a noticeable shift on the part of middle-class consumers to buy cars, caravans, and home improvements through credit, hence the move last year by North-West Securities to buy a stake in the Henleys garage chain. The acquisition, which is already reflecting in the profits of the parent bank, not only gives North West an easier entry into the vehicle financing market, but also enables it to extend its base from the South of England, where Henleys has most of its outlets. North West traditionally has been strong in northern England, where it has its headquarters.

However, competition for these clients is extremely fierce and this sector, while still highly profitable, is clearly in danger of suffering from an element of over-supply.

On the industrial side, many of Scotland's traditional industries are struggling to survive, but the finance houses say they continue to perform a valuable service for those industries which have good prospects. One of the very important rules in financing industry and commerce is that clients should be chosen with great care. Finance houses will not give credit to anyone, and company's books and prospects are studied closely before a decision is made. In short, in a relatively high-risk business, the trick is to minimise the risk.

Undoubtedly, the performance of Scotland's economy in the years to come will have a crucial influence on the fortunes of the finance houses in Scotland. Industrial clients highlight the weakness of the Scottish economic structure. They need the finance to re-equip and revitalise their businesses, but to get the credit they have to convince the finance houses that they are able to meet the payments.

On the other hand the finance houses have to make sure that if a client goes under they can salvage something from the wreckage. This is not always a mix which inspires confidence.

One field which might provide a base for expansion is microelectronics. The heavy dependence of industry and business on computers is almost a cliche but, according to one leading finance house, comparatively fewer computers are leased or purchased through credit in Scotland than in England. Scotland apparently, is catching up, but there is still some way to go.

However, in a tight market, the finance houses will have to fight hard, both among themselves and with the banks to maintain their respective positions. The conventional wisdom suggests that the shift to credit in Scotland has been caused by inflation. Nominal interest rates may be high, but in real terms, so the argument goes, finance house money has been cheap.

This still does not explain why the finance houses have enjoyed increasing popularity. The banks, after all, will provide loans at similar cost, and in addition, the banks say their customers in Scotland tend to be very loyal and therefore unwilling to go to strangers for finance. The finance houses say their services are more flexible and as a result the client more likely to find a scher which suits both his needs a his ability to repay.

In addition, they believe th once a client has become us to a finance house and its term he is likely to continue to the system. The loyalty c both ways.

One question often asked Scottish finance houses c cerns their involvement North Sea oil. Many peo south of the border believe th suddenly, Scotland is an rich in opportunities for fin ing ventures which will from the oil boom in the n east.

This is not always the c for while Aberdeen and environs continue to en many of the financial a economic benefits of oil, t very big customers are unlike to go to finance houses in Sco land for backing. These larg companies are usually highl liquid, have strong cash flows or have arranged finance in London, Houston or New York.

Risk

Local finance companies are left with the smaller-scale operator who carries a fairly high risk compared with the Essos BPs and Shells of this world.

Still, the finance companies have provided essential backing for many highly-successful companies associated with oil, and this is one sector of the Scottish economy in which the benefits of rapid and efficient service allied to adventurous management have been clearly illustrated.

The finance houses do have a future in Scotland, but it is essential that Scottish industry and business provide them with a sufficiently rich soil in which to grow, as the oil sector has done already.

Alan Shaw

Merchant banks play it quietly

A BANKER rebuked me the other day for being too credulous and reminded me that a journalist should be as sceptical about what bankers tell him as banker should be about what he reads in newspapers.

It is as well to start with that qualification when considering the merchant banking scene in Scotland, since there is very little in the way of objective evidence. Most of the institutions in the field are subsidiaries of large UK or foreign-owned banks and their Scottish figures are lost without trace in the annual statements. One is left in the end with impressions, and what people choose to tell: whether one believes them or not is a matter of choice.

If Scottish merchant bankers are to be believed, then everyone is doing well, despite intense competition, climbing interest rates and a generally depressed economy. No one has anything spectacular to report, but everyone is ticking over quite nicely.

This sounds implausible. Scotland has only a limited industrial base and it has attracted more than its fair share of banking attention in the last few years. It would seem reasonable to expect one bank or company to be squeezed out, but so far this has not happened.

One explanation could be that although Scotland has a wide range of banks, they are not all competing with each other. There may be 37 institutions supposedly offering merchant banking services, but it is ludicrous to think that they are all battling for the same type of business. The market is in fact very neatly carved up.

Alternative

According to Mr. Paddy Thompson of Singer and Friedlander, which has an office in Glasgow: "None of the London banks up here could possibly offer the whole range of merchant banking services, including money market and corporate advice. We each have something we are particularly good at and we concentrate on that. The end result is that Scotland gets the complete range of banking, but not from the same company."

The market is divided up, not only according to expertise, but also by areas of operation. At the top end, blue chip public and private companies tend to be the almost exclusive preserve of the London accepting houses, although they may have occasional recourse to a Scottish bank for a specific piece of local knowledge, or to an American bank for a particularly attractive financing package.

Below this, however, there are still many small and medium-sized companies with excellent records which can and do benefit from the services of a banker with particular experience in industrial lending or some aspect of investment or corporate advice. Until relatively recently this sector was hardly served at all, and even now the field is hardly overworked.

The British Linen Bank is the largest working this seam and, in the past year, has been strengthened by its parent, the Bank of Scotland. It offers perhaps the widest range of services of the indigenous Scottish merchant banks, being able to provide not only corporate advice, but also larger loans than might be met by other local banks from their own resources, leasing and the ability to place investments through its associated company, Melville Street Investments.

CONTINUED ON NEXT PAGE

Insurance enjoys a good year

ST YEAR was a good year the UK life assurance ustry in both the life and the sion fields. New annual miums were 28 per cent er, while single premiums by 6 per cent. But it was even better year for the ttish based life companies, ch at present account for ut one-sixth of the business sacted by life companies in UK. Almost all the Scottish panies recorded much er increases in new annual miums than the industry age, a feature that has been alent for at least the past years.

andard Life, Scotland's est life company, recorded per cent increase in annual miums on individual life ness and a 26 per cent rise pensions business. On the le premium side, the com y had a 42 per cent jump individual business and an per cent increase on group sions.

ottish Widows saw a 33 per jump in annual premiums, ough single premiums ained at the 1977 level. But company recorded a three- rise in premiums on its sions managed fund. Scot- Equitable had a 48 per rise in annual premiums a decline in single pre- ms. Scottish Provident rded a 20 per cent rise in nary business, but a 44 per in pensions business result- in 32 per cent rise overall nnual premiums.

ottish Mutual had a 38 per jump in annual premiums a 20 per cent rise in single iums, while the Scottish recorded the excellent its of annual premiums up 70 per cent and single iums being doubled.

e Life Association of Scot- the only proprietary life pany based in Scotland a member of the onale - Nederlanden NV p, showed a 50 per cent rise nual premiums. The one rent blot on this picture is performance of Scottish able. New annual pre- s were only 13 per cent r and single premiums ed an 8 per cent advance. the company had a very successful year in 1977 when the rest of the industry had very dull new business figures, so Scottish Amicable held its position during 1978. Premiums on its managed pension fund were 55 per cent higher.

Conditions for new life and pensions business were extremely favourable last year. The new State pension scheme started on April 5, 1978 and its introduction provided a tremendous boost to pensions business.

This new scheme introduced the framework of universal earnings-related old age pensions. But employers had the option to contract-out of the earnings-related part and provide this portion of pension through a company scheme. In the event far more employers and their employees preferred to rely on the Scottish life companies (and the English ones as well) rather than the Government for their pension. The number of employees contracted-out well exceeded all official estimates.

The net result was an upsurge in group pensions business with the Scottish life companies as their existing schemes were improved to meet the contracting-out requirements and other companies took out new schemes. Standard Life, one of the leading pension companies in the UK, reported a tremendous enthusiasm to contract-out. This company was one of the leading critics of the State scheme as it was originally proposed and was instrumental in getting many of the defects put right.

Scottish life companies have long been noted for their investment expertise. More pension funds have sought to use this expertise for their investment management through the medium of unitised managed funds. There has been considerable growth in contributions paid into these funds. The funds managed by Standard Life have grown to nearly £200m, those of the Scottish Widows to over £150m and the Scottish Amicable to £72m. The desire by many pension funds to be more involved in investment management and to identify their assets is likely to result in a further growth in the use of these funds.

The introduction of the new State scheme highlighted to the self-employed the inadequacy of their pensions from the state. Not surprisingly, there was a strong upsurge in sales of self-employed pensions making use of the favourable tax treatment given to such contracts.

Standard Life, Scottish Amicable, Scottish Life and the Life Association of Scotland made a big effort to get into this market a few years ago, redesigning their plans and having competitive bonus rates. Scottish Life doubled its sales last year, while Scottish Amicable with its flexi-pension product has become a leader in this field. Scottish Mutual also doubled its business in 1978, while Scottish Widows, Scottish Equitable and Scottish Provident have always been strong in this field.

Advantages

The tax planning advantages of executive pension schemes really became widely known last year. Consequently the numbers of individual pension arrangements sold was a record. A pension scheme is the most tax efficient means of passing assets from the company to the executives and the potential of this market is just being realised. The reputation of the Scottish life companies and their bonus records resulted in a bumper year.

The buoyant house purchase market last year resulted in sales of life policies used to repayment mortgages advancing considerably on the 1977 levels. Since the life companies, both Scottish and English, devised the low cost, bonus reinforced, plan, the use of endowment assurances to repay mortgages has grown. The bonus records of the Scottish companies puts them in the top life companies for these types of plans.

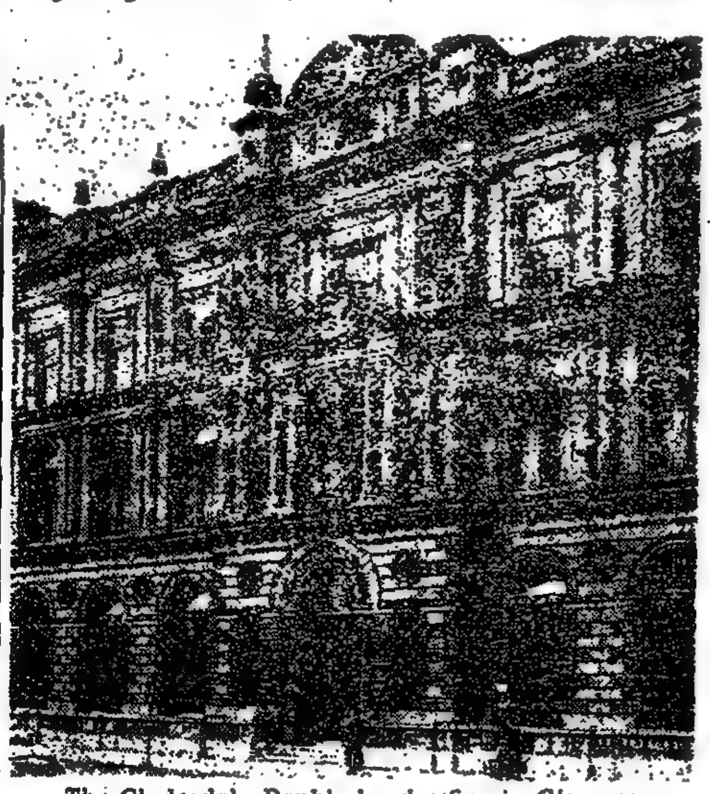
The use of life assurance for individual savings remained comparatively static, with only marginal growth. To be tax efficient, the minimum investment term is 10 years, too long a period for most investors these days. The companies prepared to sell flexible endowments, Scottish Provident was the pioneer in this product, are still seeing a certain amount of straight savings business.

The outlook for 1979 looks far less favourable, at least in theory. The house purchase market is expected to be comparatively dull. The group pensions market is not likely to expand in terms of new companies taking out schemes. There is a limit to the numbers of self-employed and executive plans that can be taken out.

But Standard Life and Scottish Equitable, two of the companies which have so far reported their results, have stated that surprisingly business is well up on the corresponding period for 1978. The self-employed and pensions market is still buoyant. There is still much to be done in the provision of topping up the State benefits on those employers which stayed with the State scheme. Although it is still early days, these two companies are cautiously optimistic for this year.

The 1978 results for General Accident, Scotland's only composite insurance group, were better than expected with an underwriting profit of £1.1m against a loss for each of the previous five years. The company, in common with other insurers, suffered heavily on its UK householders account with losses of £4.75m because of the storms at the beginning of 1978. But this was more than offset by the recovery in the U.S. with a profit of £4.9m. GA is the largest motor insurer in the UK, in which, although it showed a loss last year, the company was able to hold its premiums rates steady for 12 months before increasing them by 12 per cent on February 1, 1979. Ironically, the life business of GA is based at York.

Eric Short



The Clydesdale Bank's head office in Glasgow

Merchant banks

CONTINUED FROM PREVIOUS PAGE

Since its formation out of the former Bank of Scotland Finance Company two years ago, British Linen has grown rapidly and is now expanding with a City of London office.

Mr. Ian Brown, chief executive, said: "In spite of everything that has been said about the desirability of being a Scottish-based merchant bank, we find it very difficult to draw a line at the Scottish border, already a large proportion of our business is done in London and the alternative to opening a new office is a constant stream of people moving backwards and forwards."

The new office should open in mid-July, with a staff of ten under a bank director. It will be linked by on-line computer to the head office in Edinburgh.

British Linen's figures will be released after the parent bank reports next month, but Mr. Brown forecasts an increase on last year's £3.1m pre-tax (1977 £1.9m).

Noble Grossart, the other major Scottish merchant bank, has already reported for this year and, for the tenth successive occasion increased its profit. This year's rise, from £1m to £1.1m pre-tax, was due in part to an unexpected increase in the revenue from what might be called pure banking functions.

Noble Grossart has tended to play these down in the past, preferring to rely on its abilities in the field of corporate advice and considering itself a UK institution which just happens to be based north of the border, rather than a parochially Scottish bank.

As Mr. Angus Grossart, the managing director, comments in its annual statement, the ten-year record of progress is an unarguable measure of the bank's strength, although its reputation for corporate advice has taken (perhaps unwarranted) knocks over the offer for sale of Caledonian Holdings—on which it advised the former owners, Stenhouse Holdings—and its involvement with North Sea Assets, of which it was at one time a joint manager.

The corporate advisory field is still one in which there is scope for expansion in Scotland, and one company has been formed recently to fill a gap in that market. Edinburgh Financial and General Holdings was founded by Peter de Vink, formerly a fund manager with Ivory and Sime, but always more interested in bringing together opportunities and entrepreneurs than with the straight placing of funds.

He said: "I have no ambitions to be a full-scale merchant banker just to get a few people together who can help to create wealth. Investment trusts are very keen to find small successful companies in which to invest. There is no shortage of funds; the trick is to find good companies."

Other Scottish merchants also have yet to report for 1978. James Finlay, the Glasgow-based subsidiary of the trading and industrial group, reported a loss of £328,000 for 1977, although this was a result of a £1.2m provision against general advances. However, McNeill Pearson continued its profit growth last year with £90,000 before tax in the 12 months to March, 1978, compared to £72,000 the previous year.

Ray Perman

Uncertainties in the economy

HERE'S A conundrum: if the boom in the Scottish economy is over, why are the banks moving in again and why is there such interest in the Scottish financial scene?

On one hand we have the dire predictions from the economists. Last year was relatively good north of the border. A consumer boom, brought about by a rise in average earnings of 13-14 per cent, a slight fall in the rate of inflation and some tax cuts, combined with a resurgence of activity in the North Sea and a marginal improvement in the terms of trade to boost industrial performance, reduce unemployment and bring about a general sense of well-being (at least among those lucky enough to have jobs).

But can it last? The universal opinion seems to be no. The Fraser of Allander Institute at Strathclyde University, in its latest quarterly economic commentary, foreshadows a deterioration in the Scottish economy. The gains that were made last year have been prejudiced by damaging industrial action and the high rate of wage settlements so far this year. Investors' confidence has been reduced, production has been interrupted and export opportunities are being lost, it maintains.

Professor Donald MacKay of Heriot Watt University takes a similarly pessimistic view, albeit from a different standpoint. Monetary and fiscal policies at variance with each other are squeezing company profits and forcing up interest rates to an uncomfortably high level, he says. Only the relatively good performance of the pound (largely due to the weakness of the dollar) and North Sea oil revenues prevent things from being worse. Even so, industrial investment will tail off markedly after present commitments have been worked through.

Modest

And Mr. Grant Baird, economist of the Royal Bank of Scotland: ". . . price inflation will accelerate, economic growth will slow down, even from its present modest rate, and it appears certain that unemployment will start to rise again. The events of the past few months and the immediate prospect only serve to emphasise the importance of squeezing inflation out of the system through a range of measures. Monetary policy alone is not enough and a recovery that is—unlike last year's—sustainable will have to await success on the inflation and wages front."

But on the other hand, there is a continuing interest in Scotland by foreign banks (an Irish bank has opened in Glasgow in recent months and two more Americans have joined the long list already operating from Edinburgh) and a far from gloomy view of the year ahead from those institutions already in Scotland.

The answer to the riddle is, of course, that what appears a paradox is not in fact one at all. The economists are speaking in generalisations of an economy heavily influenced by national and international trends and policies and handicapped by an outdated industrial structure. In terms of aggregated figures, it takes a lot of new private foundries to make up for the loss in steel production from the closure of one large (albeit out of date) open hearth works; it takes a lot of new high-technology, capital-intensive electronics plants to compensate for the loss of jobs from, say, Singer's decision to make 2,000 people redundant at Clydebank, Goodyear's decision to close at Drumchapel, or SKF's decision to shut its factory at Irvine.

Yet break those figures down and it is possible to see why the specialist bankers at least can still see exciting possibilities in Scotland. Their job, after all, is not to be swept along with the tide, but to pick out those companies and industries which are moving against the current. If they are even half good at it, they can still do it with ease.

A recent survey of Scottish registered companies, for example, showed that profit margins were ahead of those for the UK as a whole. The top foreign-owned companies were making 9.65 per cent on turnover, public companies 8.61 per cent and private firms 7.64 per cent. Similarly, Scottish firms were among the leading exporters in Britain, with the top ten foreign owned firms selling half their output abroad, and the top 20 quoted companies selling an eighth of their production.

The special factors which made Scotland attractive a few years ago have, it is true, changed. The North Sea is not the Klondyke that it once was, with gigantic profits to be made by those bold enough to take the risk. But people who write it off as now in its "mature" phase with stolid, unexciting maintenance having taken over from the more demanding and expensive exploration and development phases, overlook the fact that there are about a dozen fields on which development work has either just started or has yet to begin.

If all the projects now planned go ahead some $10bn will have to be spent on them over the next few years, and much of it, judging by past experience, will find its way into the pockets of companies based in Scotland. For the banks and other financial institutions the opportunities are legion. The biggest will take a share in field financing (and at least two substantial syndicated loans are likely to be raised in the coming year), those further down the scale will finance anything from platforms and modules to supply boats and drilling gear.

There are other attractions. An earlier known resource than oil is attracting electronics companies to Scotland. The high reputation of Scottish education—and particularly that of the four Edinburgh and Glasgow universities—is one of the factors responsible for the large build-up of advanced-technology industry. The central lowland belt now boasts a larger concentration of electronics companies than anywhere in Britain other than south-east England.

Competitive

It is a fast growing industry—annual production growth figures of 20 per cent and more are not uncommon—and an intensely competitive one with an insatiable demand for new investment. Visit a selection of the top names at random and you will find them either committed to new capital projects or considering them for the near future.

Apart from a few well-known British names (Ferranti, Marconi etc.) U.S. companies predominate and they have a reputation for favouring local banks when looking for new capital. "The local management is far enough removed from the parent company to have financial autonomy, whereas UK firms with subsidiaries in Scotland tend to retain financial control at head office," says Mr. Ian Brown, chief executive of the British Linen Bank. "U.S. companies have always provided a lot of lucrative business for Scottish banks."

And so it goes on. There are other industries doing well and with a bright future: chemicals, pharmaceuticals, some aspects of precision engineering, specialist steel-making — the list is not exhaustive, for those willing to look there are others left to find.

Other than on the industrial scene, the year ahead looks less certain. Consumer spending — in line with national patterns — should remain at a relatively high level for at least a period until the effect of high settlements is eroded by a fresh climb in the rate of inflation and possible budget restrictions next month. Interest rates have fallen slightly from their crisis levels of last month, but are likely to remain high for some time and lending is likely to remain subject to some form of restriction. But in an election year with more than a chance of a change of Government, who can say what the future will bring?

R. E.

SOME LEADING SCOTTISH TRUSTS

	Total assets less current liabilities (£m)	Net asset value nominal (p)	Net asset value market (p)	Annual dividend (p)	Investment currency premium
Alliance Trust	161.0	300.6	309.1	7.1	33.1
Scottish Investment Trust	133.4	140.1	144.2	2.56	16.0
Scottish Mortgage and Trust	131.1	156.3	158.8	3.3	16.8
Scottish United Investors	118.3	106.6	109.6	1.6	16.2
Edinburgh Investment Trust	963	301.1	316.4	6.75	23.2
Scottish Western Investment	83.6	135.7	140.8	2.2	21.9
Scottish National Trust	78.9	215.0	218.6	3.45	26.6
Clydesdale Investment Trust	75.3	109.6	112.4	1.675	18.2
Monks Investment Trust	65.2	70.9	71.6	1.6	7.1

Source: Association of Investment Trust Companies

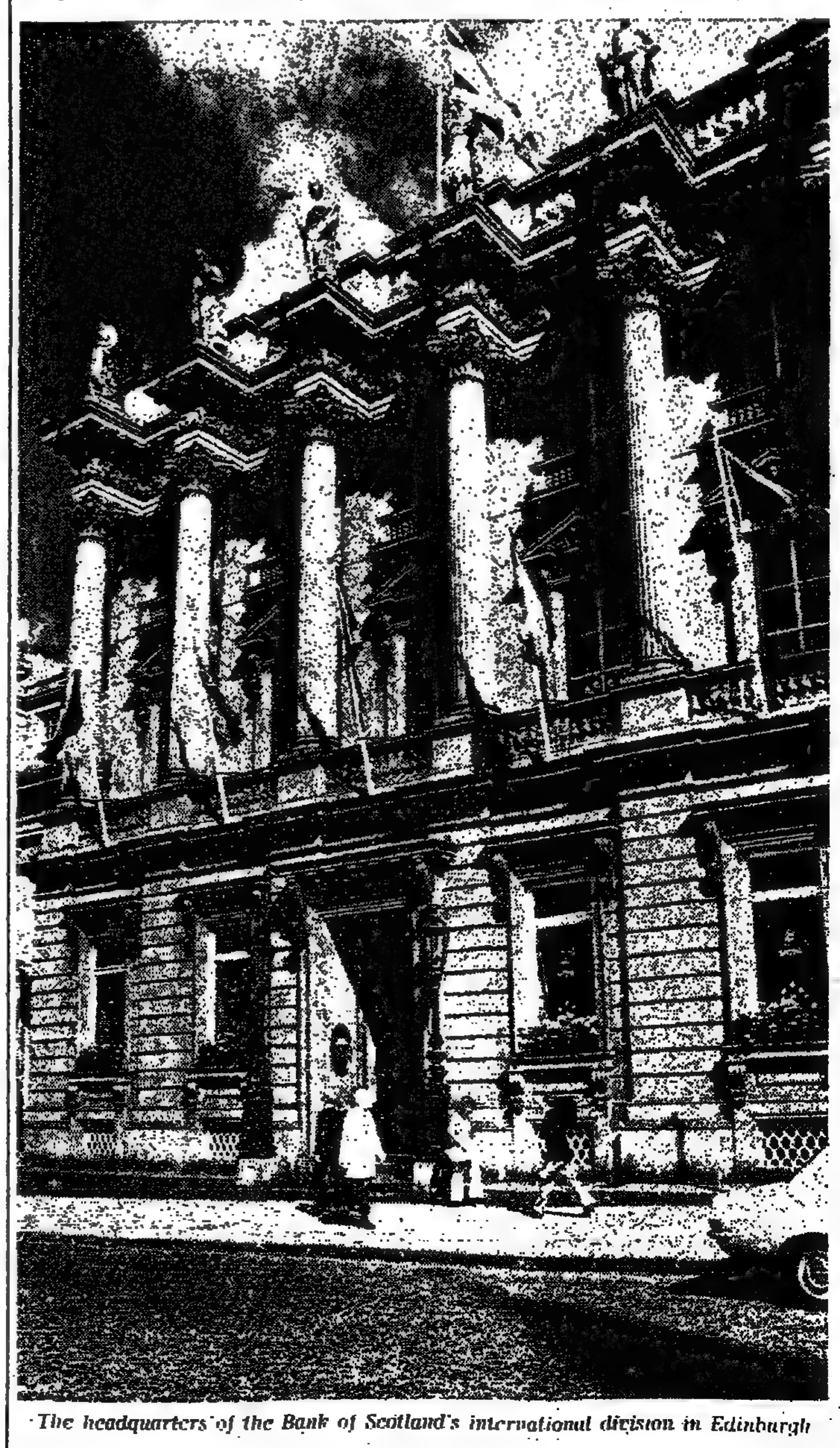
ANALYSIS OF BANK ADVANCES

£1,000 million

	1975 Aug	1976 Feb	1976 Aug	1977 Feb	1977 Aug	1978 Feb	1978 Aug
Scottish clearing banks, total	1.66	1.70	1.84	1.84	2.08	2.22	2.27
by sector:							
Manufacturing	0.41	0.41	0.43	0.47	0.50	0.52	[illegible]
Other product'n	0.30	0.30	0.34	0.34	0.40	0.44	[illegible]
Services	0.48	0.50	0.55	0.60	0.64	0.70	[illegible]
Financial	0.22	0.23	0.24	0.23	0.22	0.22	[illegible]
Personal	0.25	0.25	0.29	0.29	0.33	0.34	[illegible]
All banks in UK, total	30.0	30.1	32.7	35.2	37.7	39.0	41.4

per cent

	1975 Aug	1976 Feb	1976 Aug	1977 Feb	1977 Aug	1978 Feb	1978 Aug
Scottish clearing banks, each sector as a % of total							
Manufacturing	24.8	24.1	23.2	23.9	23.8	23.5	22.7
Other prod'ct'n	18.4	17.9	18.3	17.5	19.2	19.8	20.8
Services	28.9	29.5	29.8	30.8	30.7	31.5	28.8
Financial	13.0	13.6	13.0	12.7	10.5	10.1	11.0
Personal	14.9	14.9	15.8	15.1	15.7	15.4	16.8
Scottish clearing banks as a % of all UK banks	5.5	5.6	5.6	5.5	5.5	5.7	5.7



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WORLD STOCK MARKETS

Oil issues lead a fresh early Wall St. advance

INVESTMENT DOLLAR PREMIUM
$2.60 to £1—76¾% (78¼%)
Effective $2.0235 37¼% (39¼%)

FURTHER GROUND was gained on Wall Street yesterday morning in very active trading, with the Oils group remaining to the fore of the stock market's advance.

The Dow Jones Industrial Average was 5.55 higher at 858.37 at 1 p.m., while the NYSE All Common Index rose 28 cents more to $56.83 and advancing issues outpaced losses by better than a two-to-one margin. Turnover increased to 23.40m shares from last Friday's 1 p.m. figure of 20.40m.

Closing prices and market reports were not available for this edition.

Analysts said speculation about possible Administration *moves to decontrol oil prices* are providing fresh impetus for the Oils sector.

President Carter is meeting with top advisers at Camp David to review U.S. energy policy, and the Joint Economic Committee of Congress has recommended gradual oil price decontrol.

The Commerce Department reported that U.S. personal income rose 0.6 per cent in February after a 0.3 per cent January gain.

All but one of the 10 most active issues were Oil shares. Volume leader **Gulf Oil** put on ⅛ to $26⅝. A block of 100,000 shares were traded at $26⅝. Texaco, in second place, added ⅜ at $26⅞, while **Exxon** gained ⅞ to $54⅞. A 150,000 share block of Exxon was moved at $54⅞.

Standard Oil of Ohio advanced 1⅝ to $51⅞. Senator Alan Cranston has asked the company to reconsider its decision not to build a California to Texas oil pipeline.

Motor, Steel, Rail, Chemical, Drug, Computer, Copper, Aluminium, Aircraft, Paper and Utility issues participated in the uptrend, but Gold and Airline shares declined.

CIT Financial rose 1⅛ to $33⅛ and **Union Bancorp** 2⅛ to $31⅞. *The Federal Reserve Board has* approved the take-over of Union **Bancorp** and **CIT's** banking subsidiary by British banks.

Du Pont climbed $1 to $138, IBM 2⅛ to $310⅛, **Smithkline** 1⅛ to $92⅞, **Squibb** ⅛ to $36⅛, *Teledyne* 1⅛ to *$119. Eastman Kodak* ⅝ to $62⅞ and **Polaroid** ⅜ to $40⅞.

THE AMERICAN SE Market Value Index moved ahead 1.49 further to 174.26 at 1 p.m. in busy trading. Volume 3.52m shares (2.88m).

Amex volume leader **Tenneco** Warrants added ⅛ at $⅞. In second place, **Houston Oil** rose $1 to $18⅞.

Askin Service put on ⅜ to $1⅜. The company *wants to buy a* coal crushing and railcar loading operation.

Active **Resorts International** "A" edged up ⅜ to $53⅞ after sharply higher fourth-quarter net profits.

Prudent Real Estate Trust gained ⅛ to $7⅜. Johncamp Realty said a New York State Court has refused to restrain its $7 a share bid for Prudent.

Canada

Markets took their advancing trend into the eighth consecutive trading session in heavy early dealings yesterday. The Toronto Composite Index rose 4.5 to a new record level of 1,442.6 at noon.

Oils and Gas advanced 12.9 more to 2,139.7 on index, while Metals and Minerals put on 4.7 to 1,303.6 and Utilities 1.01 to *214.06. Banks, however, declined* 0.78 to 305.99, and Golds shed 1.3 to 1,530.5.

Alberta Energy gained ⅛ to C$22⅞ after announcing that initial drilling at its Primrose field resulted in gas and heavy oil discoveries.

Dome Petroleum rose 1⅛ to C$123. **Westburne** 1⅛ to C$41⅛, and **Husky Oil** ⅜ to C$47⅛.

Noreen Energy added ⅛ at C$19⅛ *and* **Dofasco "A"** ⅜ at $$33. Both have forecast a strong 1979 performance.

Tokyo

Trading was very quiet with share prices moving irregularly before finishing with a slight bias to lower levels.

The Tokyo SE index was 0.13 off at 446.46, although the Nikkei-Dow Jones Average was *a marginal 4.10 higher* at 6,029.85. Volume amounted to only 140m shares, down from last Friday's 190m and the smallest daily total since the 129m which were traded on December 12, 1977.

Despite a lowering of the margin ratio from the current 60 per cent requirement to 50 per cent, effective from yesterday, investor's buying desire did not strengthen, brokers said. "Such institutional investors as investment trust companies and corporations are apparently refraining from active investment into stocks before the end of the month," one broker added.

"Investors are not buying stocks this week because of worries over the outcome of a minister-level meeting of the Organisation of Petroleum Exporting Countries (OPEC) and a preparatory meeting of the Tokyo summit conference scheduled this week," another broker explained.

However, the easing of margin trading curbs did engender interest in *Sony*, up Y60 at Y1,830.

C. Itoh, up Y14 at Y265, were actively bought on Press reports that its U.S. subsidiary, **C.I. Energy Development**, has struck natural gas and oil off Matagorda, Texas.

Some Pharmaceutical and Precision Instrument issues also found favour, but Petroleums and Chemicals finished on an easier note.

Germany

Stocks were firmer for choice after thin dealings, with the Commerzbank index edging up 0.6 to 786.1.

Among Motors, **BMW** gained DM 2.90, while in Chemicals, **VEBA** put on DM 1.30.

Stores were mainly higher, with **Kaufhof**, **Karstadt** and **Horten** gaining DM 1.50 apiece, while Engineerings had Linde up DM 2.70 and **GHH** DM 1.80 firmer.

Public Authority Bonds were mostly unchanged, with the Bundesbank buying a modest DM 2.30m nominal of paper. Mark Foreign Loans were steady *to higher*.

Paris

Bourse employees have decided to extend their strike until at least mid-day today, but were yesterday still negotiating with the Stockbrokers' Association, union sources said.

The Stockbrokers Association has abandoned its special procedure for quoting forward shares during the strike, although senior brokers yesterday traded a limited number of quality shares on the Corbeille ring at the Bourse.

Among these shares, Thomson CSF rose to FFr 368 from FFr 356 and Michelin to FFr 1,010 from FFr 1,000.

Australia

Markets showed a firmer tendency, with demand continuing to centre on Resources stocks, especially selected Coals, *Uraniums* and *some Base Metal* issues.

Amid concern over oil supplies, **Coal and Allied** advanced 20 cents to A$5.40, **Utah** 14 cents more to A$4.99 and **White Industries** 10 cents to A$3.60 among Coal stocks.

In the Oils sector, **Santos** climbed 15 cents further to A$2.60 and **Australian Oil and Gas** were 6 cents higher at A$1.21.

In Uraniums, **Queensland Mines** added 10 cents at A$3.50 ahead of the signing, later this week, of the Nabarlek uranium mining agreement with the Northern Land Council. ***Pancontinental*** improved 15 cents to A$14.10, **EZ Industries** 10 cents to A$3.30 and **Peko-Wallsend** 8 cents to A$5.60.

Base Metal Minings benefited from the firmer trend on the London Metals Exchange last *Friday. Western Mining gained* 8 cents to A$2.35, while **Bougainville Copper**, A$1.88, and **MIM**, A$3.31, put on 4 cents apiece.

On the Industrial Boards, there was activity in **Kelvinator** following the bid from **Email**, which is offering the equivalent of A$1.54 per share. Kelvinator, however, were marked up above the bid value to A$1.72 *for a* rise of 57 cents.

Hong Kong

After an initial bout of selling by short-term holders of stock, prompted by Saturday's announcement of a rise in local Prime Rates to 11 per cent from 10.5, the market more than recovered, buoyed by selective buying interest. The Hang Seng index managed a fresh modest gain on the day of 4.86 at 555.92 following a moderate business.

Hong Kong Bank closed 40 cents higher at HK$20 as investors drew encouragement from progress in its planned acquisition of **Marine Midland** Bank.

NOTES: Overseas prices shown below exclude $ premium. Belgian dividends are after withholding tax.
◆ DM 50 denom. unless otherwise stated, yields based on net dividends plus tax.
♥ Pta 500 denom. unless otherwise stated.
♣ DKr 100 denom. unless otherwise stated.
✚ SwFr 500 denom. and Bearer shares unless otherwise stated. ¶ Y50 denom. unless otherwise stated. § Price at time of suspension. a Florins. b Schillings. c Cents. d Dividend after pending rights and/or scrip issue. e Per share. f Francs. g Gross div. %. h Assumed dividend after scrip and/or rights issue. k After local taxes. m % tax free. n Francs including Unilac div. p Nom. q Share split. s Div. and yield exclude special payment. t Indicated div. u Unofficial trading. v Minority holders only. y Merger pending. * Asked. † Bid. ‡ Traded. ‡ Seller. z Assumed. xr Ex rights. xd Ex dividend. xc Ex scrip issue. xa Ex all. Δ Interim since increased.

NEW YORK

[illegible]

CANADA

[illegible]

† Bid. ‡ Asked. § Traded. ‖ New stock.

Indices

NEW YORK —DOW JONES

[illegible]

STANDARD AND POORS

[illegible]

N.Y.S.E. ALL COMMON

[illegible]

MONTREAL

TORONTO Composite

JOHANNESBURG

[illegible]

FRIDAY'S ACTIVE STOCKS

[illegible]

GERMANY ◆

[illegible]

TOKYO ¶

[illegible]

Source: Nikko Securities, Tokyo

AUSTRALIA

[illegible]

OSLO

[illegible]

STOCKHOLM

[illegible]

JOHANNESBURG

MINES

[illegible]

INDUSTRIALS

[illegible]

Financial Rand U.S.$0.75 (Discount of 36.8%)

AMSTERDAM

[illegible]

BRUSSELS/LUXEMBOURG

[illegible]

PARIS

[illegible]

SWITZERLAND ✚

[illegible]

COPENHAGEN ♣

[illegible]

MILAN

[illegible]

VIENNA

[illegible]

BRAZIL

[illegible]

SPAIN ♥

[illegible]

EUROPEAN OPTIONS EXCHANGE

[illegible]

TOTAL VOLUME IN CONTRACTS

BASE LENDING RATES

A.B.N. Bank	13 %	■ Hambros Bank	13 %
Allied Irish Banks Ltd.	13 %	■ Hill Samuel	§13 %
Amro Bank	13 %	C. Hoare & Co.	†13 %
American Express Bk.	13 %	Julian S. Hodge	14 %
A P Bank Ltd.	13 %	Hongkong & Shanghai	13 %
Henry Ansbacher	13 %	Industrial Bk. of Scot.	13½%
Associates Cap. Corp.	14 %	Keyser Ullmann	13 %
Banco de Bilbao	13 %	Knowsley & Co. Ltd.	14½%
Bank of Credit & Cmce.	13 %	Lloyds Bank	13 %
Bank of Cyprus	13 %	London Mercantile	13 %
Bank of N.S.W.	13 %	Edward Manson & Co.	14 %
Banque Belge Ltd.	13 %	Midland Bank	13 %
Banque du Rhone et de la Tamise S.A.	13½%	■ Samuel Montagu	13 %
Barclays Bank	13 %	■ Morgan Grenfell	13 %
Bremar Holdings Ltd.	14 %	National Westminster	13 %
Brit. Bank of Mid. East	13 %	Norwich General Trust	13 %
■ Brown Shipley	13 %	P. S. Refson & Co.	13 %
Canada Perm't Trust	13 %	Rossminster	13 %
Cayzer Ltd.	13 %	Royal Bk. Canada Tst.	13 %
Cedar Holdings	13 %	Schlesinger Limited	13 %
■ Charterhouse Japhet	13½%	E. S. Schwab	14 %
Choulartons	13 %	Security Trust Co. Ltd.	14 %
C. E. Coates	13 %	Shenley Trust	15 %
Consolidated Credits	13½%	Standard Chartered	13 %
Co-operative Bank	*13 %	Trade Dev. Bank	13 %
Corinthian Securities	13 %	Trustee Savings Bank	13 %
Credit Lyonnais	13 %	Twentieth Century Bk.	14 %
The Cyprus Popular Bk.	13 %	United Bank of Kuwait	13 %
Duncan Lawrie	13 %	Whiteaway Laidlaw	13½%
Eagil Trust	13 %	Williams & Glyn's	13 %
English Transcont.	13½%	Yorkshire Bank	13 %
First Nat. Fin. Corp.	14 %		
First Nat. Secs. Ltd.	14 %		
■ Antony Gibbs	13 %		
Greyhound Guaranty	13½%		
Grindlays Bank	‡13 %		
■ Guinness Mahon	13 %		

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† 7-day deposits on sums of £10,000 and under 10½%, up to £25,000 11%, and over £25,000 11¼%.
‡ Call deposits over £1,000 10½%.
§ Demand deposits 11%.

India lifts tea export quota

IE INDIAN Government has ided not to impose any ort quota for tea in the ancial year beginning April 1. quota was imposed for the rent year at 225m kilos as t of the Government's policy stop exports of any commo- y if these led to domestic rtages and price rises. How- r, because there has been ecord tea production in 1978 shortages internally are red next year, and the ex- t duty has already been oved.

n fact since earnings from exports are falling owing lower prices the Government planning a number of asures to boost sales abroad. hopes that the anticipated ort of just 175m kilos in 8-79 will be increased

his could mean cash, com- satory support although for present the Government is planning to reintroduce the em of excise rebate and wback.

Sales boost or butter

By Our Commodities Staff

E BUTTER Information ncil has launched an ,000 campaign aimed at ting sagging sales of butter he UK.

It is our reply to the unfair unbalanced international paign against butter," a esman said.

bout £500,000 will be spent dvertising. Main targets are readers of Sunday supple- ts and women's magazines. a relatively large slice— 00—will go on publicity in ical papers.

e aim there will be to ter the advertising tactics internationally by the garine and vegetable oil- ers.

Overall, the medical cam- n is stating that there is cceptable scientific evident pport the suggestion that rated fats should be ced by polyunsaturated the council said.

e council is jointly funded utter producers in the UK, nark, Ireland, Holland and Zealand.

W. C. van Haeften, head he Dutch Dairy Bureau, advantage of the campaign h to suggest that the New and butter quota should be d among EEC members.

Radical changes for UK apple trade planned

BY CHRISTOPHER PARKES

A FIERCELY critical study of the British apple trade, which has been deeply undermined by Continental imports in the past few years, has spurred the National Farmers' Union to draft far-reaching plans for radical changes in production and marketing.

Since 1972, the season before Britain joined the Common Market, the quantity of apples sold in Britain has risen 10 per cent.

But in the same period the share of the market filled by overseas suppliers during the UK marketing season, which runs from August to March, has leapt from 38 per cent to an estimated 53 per cent in the current year.

To right matters, the NFU, working with the Apple and Pear Development Council, plans to increase the minimum size of apples which may be marketed in Britain.

A marketing panel is to be set up to advise UK growers on when, how and where to send their produce to market. And the Government is to be asked for the reintroduction of grants for grubbing-up old and un- economic orchards, and also cash aid to promote varieties "with a sound commercial future."

More State money will also be needed to improve storage facilities with the ultimate aim of extending the life of the marketing year.

At present English apples are generally available until March, but with better storage the sea- son could be extended into May.

"Marketing disciplines have achieved much for our chief competitors, the French," Mr. Jack French, chairman of the NFU apple and pear committee, said yesterday.

"And unless we can match their control, our markets will surely fall into their hands."

The initiative followed the collapse of the market for home- grown apples last autumn, when undisciplined and uninformed growers swamped the wholesale trade with undersized, unripe and badly-packed fruit.

As a result, Mr. French said, very few growers will make any profit this season.

The need for action was underlined by a report on the trade by Mr. Tony Skelton, for- mer chief quality controller for Home-Grown Fruits, the country's leading fruit trade co-operative.

His survey of a wide range of wholesale markets, under- taken during September and October is a catalogue of disaster.

He compares "spotless" sup- plies of imported apples with shrivelled, bruised, over-mature, unattractive English apples packed in all manner of con- tainers: "dirty, weather-stained boxes . . . old tomato trays," and some in boxes which had formerly held imported fruit.

Early supplies of Cox apples, the best selling variety in the UK, were damaged by hail, cracked, some rotten, some maggoty.

"I would have hoped that growers would have learned over the past 15 years that there is no earthly use sending rubbish to market," he said yesterday.

"To find what I saw, sent by people who should have known better, was a great disappoint- ment to me."

Mr. David Parker, chief executive of the Apple and Pear Development Council, said there was an urgent need to step up promotion of English apples. A "substantial" in- crease in the levy on the country's 1,450 growers would be needed, he admitted.

The union also wants to reduce the number of varieties of apples sold in the UK. A survey this year by the council will attempt to discover con- sumer preferences before any further action is taken.

However, because of the importance of Cox's apples in the market, the EEC Commis- sion, via the Ministry of Agriculture, is being asked now to bless the move to raise the minimum size of this variety.

UK shoppers spend more on meat

BY OUR COMMODITIES STAFF

MEAT TOOK a larger share of British household budgets last year — the first significant increase for five years—accord- ing to the latest estimates by the eMat and Livestock Com- mission.

Total expenditure on meat, including bacon, is calculated to have risen in real terms, after allowing for inflation, by 4 per cent compared with 1977.

Beef and veal supplies in Britain rose by 4 per cent to 1.25m tonnes last year. Domestic output was 3 per cent higher, but imports rose by 6 per cent.

Mutton and lamb supplies were virtually unchanged at 402,000 tonnes. But lamb exports fell by 7 per cent and there was a considerable build up of imported lamb stocks in the second half of the year.

Supplies of pork were margin- ally higher, too, with a 3 per cent fall in home output being offset by a rise in imports. This trend was more pronounced with bacon and ham, where supplies rose by 6 per cent as a result of imports increasing by 12 per cent and home produc- tion falling by 3 per cent.

The Commission predicts that total supplies of meat this year will be about 2 per cent higher than in 1978 reaching the highest annual figure for many years. However, beef and veal supplies are expected to be some 2 per cent lower.

Fat cattle prices have changed little since mid-January but should normally increase season- ally until May-June, so there appears to be little change of an easing in beef prices at present.

The Commission notes there has been a steady increase in the world price for beef as a result of declining production. EEC beef and veal output is expected to be similar to the 1978 level despite falls in the Irish Republic and the UK.

World sheep numbers are reported to be increasing, par- ticularly as a result of flock expansion in Australia. EEC mutton and lamb output this year is forecast to be 3 per cent higher.

Pigmeat output in the world rose by 3 per cent. Production in the EEC was 4 per cent up and a further 3 per cent increase is expected this year.

Stoppages boost copper

By John Edwards, Commodities Editor

CONTINUING STRIKES at Peruvian copper mines, and a stoppage by Zambian railway workers, brought a rise in copper prices on the London Metal Exchange yesterday.

But trading activity was generally subdued and cash wirebars closed only £9 higher at £1,005.5 a tonne.

As expected copper stocks held in LME warehouses fell again. They were down by 10,525 tonnes reducing total holdings to 271,200 tonnes.

Moves by the Peruvian Government to end the strikes at the Toquepala and Cuajone mines, which produce the bulk of the country's copper, appear to have met with little success so far. Workers are reported to have turned down a Government offer of in- creased wages and bonuses.

Meanwhile in Zambia, Reuter reported that all goods traffic on the Zambian sector of the Tazara railways had been halted by workers seek- ing higher wages.

Other metal markets were quiet and dull with little fresh news. Tin prices ended the day lower, despite a sharp rise in the Penang market over the weekend and a fall of 70 tonnes in stocks re- ducing total holdings to 1,805 tonnes.

As expected lead stocks rose by 1,925 to 16,275 tonnes. Cash lead lost £10.5 to £572.5 a tonne. Zinc stocks fell by 25 to 71,125 tonnes and alu- minium by 75 to 12,700 tonnes. LME silver holdings were unchanged at 21,550,000 ounces.

Gundelach urges tapioca sales cut

BANGKOK—Mr. Finn Olav Gundelach, EEC vice-commis- sioner in charge of agriculture and fisheries, said Thailand should reduce tapioca product exports to the EEC during the current year as its exports last year were too high.

He was replying to a reporter's question asking if Thailand could maintain the same export level as last year, when more than 6m tonnes of tapioca pro- ducts were shipped to the Com- munity.

Reuter

World wheat crop may reach new record

BY OUR COMMODITIES STAFF

THE INTERNATIONAL Wheat Council yesterday raised its esti- mate of world wheat production in 1978 to a record 440m tonnes.

This is 4m tonnes above the Council's previous estimate in January and compares with the 1977 out-turn of 385.5m tonnes. Mainly responsible for the increase is the much bigger than expected Australian crop of 18.5m tonnes.

At the same time the Council has lifted projected carry-over stocks at the end of the 1978-79 season in the five main exporting areas from 50.3m to 55.3m tonnes.

Looking at crop prospects for 1979 the market report noted that U.S. production is likely to rise for the first time in three years as a result of a 6.3 per cent increase in wheat plantings.

A fall in the harvested area is forecast for the EEC follow- ing frost damage, particularly in northern France. In the Soviet Union snow cover limited damage to dormant crops from the very low temperatures earlier this year, but now the snow line has moved north- wards crops are exposed if temperatures drop again.

The Council said it had reduced its estimate of world coarse grain production in 1978/79 by 6m tonnes to 735m tonnes although this is still a record and well above the 1977/ 1978 figure of 697.5m tonnes.

Maize output in Brazil and South Africa is now expected to be lower than previously fore- cast. World production of soya- beans is forecast at a record 83m tonnes against 78m pre- viously. The Brazilian crop forecast has been reduced by 2m to a range of 11m-12m tonnes, but output in Argentina is predicted to rise by more than 1m to 3.4m tonnes.

In Washington the Central Intelligence Agency predicted that China almost certainly will continue to import about 10m tonnes of grain per year through 1980, reports Reuter.

Population growth as well as demand for higher incomes and more food rations will exert con- tinuing pressure on China to buy foreign grain with imports needed to feed coastal urban centres, thus reducing internal procurement burdens, the CIA report said.

Meanwhile defending his legis- lation to set up a National Grain Board, representative Jim Weaver said it is time for the U.S. to turn its dominance of the world grain trade to national advantage.

The Oregon democrat has introduced a Bill that would create within the Commodity Credit Corporation a Grain Board empowered to negotiate sales, barter for other goods, accept purchase bids from foreign buyers and offer selling bids in the world market for U.S. grain and soyabeans.

Claiming that passage of his Bill would represent the most profound change in agricultural policy since the 1930s Mr. Weaver said establishment of the Grain Board would assure American farmers a fair return on their products, minimise sharp fluctuations in prices and prevent speculative advantage.

Food security scheme launched

BY RUPERT CORNWELL IN ROME

THE UN Foor and Agriculture Organisation (FAO) yesterday launched a five-point plan to improve world food security in the wake of the collapse of negotiations in Geneva for a world wheat agreement.

Outlining the scheme to per- manent representatives to FAO here, Mr. Edouard Saouma, the organisation's director general, warned that despite the current comfortable global level of cereal stocks (around 200m tonnes) a replay of the 1972-73 food crisis was highly likely in the event of widespread crop failures.

Under the plan all countries should aim at building up national grain reserves, equiva- lent to two months' needs. Food surplus countries would be re- quired to build up stocks against international shortages.

Guidelines for the release of stocks would be drawn up by the FAO's food security committee. The criteria would include both natural disasters and crop fail- ures, and the need of poorer countries to buy food at reason- able prices.

The FAO is also asking for an increase in commitments from donor countries from the level of 4.2m tonnes annually imposed by the 1971 International Wheat Agreement to 10m tonnes this year, and 13m tonnes in 1982 and 16m tonnes by 1985.

The plan finally calls for an increase in the current "modest" level of bilateral and multi- lateral aid for building up food reserves, and greater collective self-reliance by threatened nations.

The target should be for reserves of 70m tonnes, of which half should be situated in de- veloping nations, whose grain imports rose 25 per cent in 1977-78, possibly rising to 80m tonnes in 1978-79.

Seeds export curb lifted

BY MARGARET VAN HATTEM IN BRUSSELS

A DECISION by the British Plant Royalty Bureau to lift export curbs on special varieties of cereal seeds will enable British seed firms to export to France, where there is an acute shortage.

The EEC Commission, which has been investigating the restrictions, yesterday an- nounced that the PRB will lift curbs on sales to France and will, in future, inform the Commission, when it withholds consent for exports, enabling the Commission to determine whether such curbs are justified.

The Commission began inves- tigating the matter following complaints from British seed firms which were keen to export to France, where bad weather has destroyed large areas of winter-sown cereals.

BRITISH COMMODITY MARKETS

BASE METALS

COPPER—Gained ground on the n Metal Exchange. Forward metal quietly throughout the day with rice moving between £1,015 and in the morning before moving £1,023 in the afternoon reflecting akness of sterling. However, on te kerb it eased to £1,016 before at £1,017.5. Turnover: 18,550

Amalgamated Metal Trading reported in the morning cash wirebars at £1,000, 1, three months .5, 17, 16, 16.5, 16, 15.5, 15, 15.5, , 17.5. Cathodes, cash £995, 96, months £1,010, 11. Kerb: Wire- three months £1,017, 17.5, 18, 18, 18.5. Afternoon: Wirebars, months £1,018.5, 18, 18.5, 19, 21, 20.5, 21, 21.5, 22, 23, 23.5, 22. Cathodes, three months , 16.5. Wirebars, kerb: three s £1,020, 21, 20, 19, 20, 19, 18, , 17, 17.5, 17, 16.5, 17, 18.5, 18.

COPPER	a.m. Official	+ or —	p.m. Unofficial	+ or —
ars	£	£	£	£
Cash	1001-.5	+14.7	1005-6	+9
3 months	1017-8	+16	1022-.5	+9.75
Settlem't	1001.5	+15.5	—	......
les				
Cash	995-.6	+8.75	998.5-1000	+6.5
3 months	1011.5-2	+11.2	1016-7	+8.25
Settlem't	995.5	+9.5	—	......
U.S. Prod.	—	......	*90-6	

TIN—Slightly easier. A rise in the Penang market saw forward metal open around the £7,400 level but the market then tended to drift as hedge selling left the price at £7,370 on the morning kerb. In the afternoon it continued to ease, touching a day's low of £7,340 prior to a close on the late kerb of £7,355. Turnover: 1,180 tonnes.

TIN	a.m. Official	+ or —	p.m. Unofficial	+ or —
High Grade	£	£	£	£
Cash	7490-500	—10	7460-90	-37.5
3 months	7390-410	+7.5	7370-90	-32.5
Settlem't	7500	—20	—	......
Standard				
Cash	7460-70	+7.5	7440-55	-22.5
3 months	7370-80	-12.5	7350-5	—20
Settlem't	7470	+10	—	......
Straits E.	‡$1990	+20	—	......
New York	—	......		

Morning: Standard, cash £7,470, three months £7,380, 78. High Grade, cash £7,480, 85. Kerb: Cash £7,470, three months £7,370. Afternoon: Standard, three months £7,370, 65, 60, 55, 50. Kerb: Three months £7,355, 50, 40, 45.

LEAD—Lower, with forward metal opening at £541 and thereafter declining slowly to close on the late kerb at £533 mainly reflecting lack of interest. Turnover: 5,050 tonnes.

Morning: Cash £570, 71, 73, three months £538, 36, 37, 38, 38. Kerb: Three months £537, 38. Afternoon: Three months £538, 37, 38. Kerb: Three months £538, 37, 36, 34, 35.

LEAD	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	573-4	-3.75	571-4	-10.5
3 months	555.5-6	—1	537.5	-5.75
Sett'ment	574	—3.5	—	....
U.S. Spot	—	......	*44	......

ZINC—Marginally easier in subdued trading. After opening around £400 forward metal edged up to £403 but gave ground to close at £401 on the late kerb. Turnover: 3,450 tonnes.

ZINC	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Cash	389-.5	-2.5	389.90	—1
3 months	401-2	—2	401.5-2	—.5
S'ment	389.5	—2.5	—	......
Prim.west	—	......	*37.5	......

Morning: Cash £389, three months £400, 399.5, 400, 1. Afternoon: Three months £402, 1.5, 2. Kerb: Three months £402, 1, 400.

ALUMINIUM—Steady reflecting the firmness of copper. Forward metal rose to £749.5 in the morning but failed to hold this level as profit-taking left the price at £746.5 on the late kerb. Turnover: 3,050 tonnes.

Alumin'm	a.m. Official	+ or —	p.m. Unofficial	+ or —
	£	£	£	£
Spot	749-50	—2	747-8	+1.5
3 months	748-9	—1	747-8	+2

Morning: Three months £748, 49, 48.5, 49, 49.5, 49. Kerb: Three months £748.5. Afternoon: Three months £748, 47.5, 48.5, 47.5, 48, 47.5, 47. Kerb: Three months £748, 47.

* Cents per pound. ‡ $M per picul. † On previous unofficial close.

CORAL INDEX: Close 510-515

COMPANY NOTICE

B.A.S.F. TRANSATLANTICA

7½% 1972-1987 Loan of FF. 100,000,000

e redemption on 1st May 1979, for which a sum of . 4,000,000 is planned, has been completely repurchased the Stock Exchange.

Amount remaining in circulation after 1st May 1979: FF. 76,000,000.

Paying Agent

BANQUE DE PARIS ET DES PAYS-BAS POUR LE GRAND-DUCHE DE LUXEMBOURG

SILVER

Silver was fixed 2.0p an ounce higher for spot delivery in the London bullion market yesterday at 362.8p. U.S. cent equivalents of the fixing levels were: spot 735.4c, up 0.9c; three-month 751.4c, up 0.9c; six-month 765.3c, up 0.2c; and 12-month 790.1c, up 4.5c. The metal opened at 362-364p (734-738c) and closed at 361¾-363¾p (732-735c).

SILVER per troy oz.	Bullion fixing price	+ or —	L.M.E. close	+ or —
Spot	362.8p	+2.0	363.65p	+0.8
3 months	372.2p	+2.5	373.1p	+1.0
6 months	380.3p	+2.3	—	......
12 months	395.1p	+0.7	—	......

LME—Turnover 136 (332) lots of 10,000 ozs. Morning: Three months 371.5, 71.8, 72, 72.2, 72.5, 72.7, 73. Kerbs: Three months 372.7. Afternoon: Three months 372.8, 73, 72.9, 73.5, 73.3, 73. Kerbs: Three months 372.5, 72, 71.8, 72, 72.5.

COCOA

Levels drifted within a narrow range throughout the day rallying slightly at the close, report Gill and Duffus.

COCOA	Yesterday's Close	+ or —	Business Done
March	1660.0-66.0	+1.5	1669.0-1647
May	1698.0-1700	+5.5	1704.0-1680
July	1700.0-01.0	+3.0	1701.0-1682
Sept	1723.0-26.0	+7.25	1726.0-1711
Dec	1781.0-82.0	+6.25	1782.0-1765
March	1800.0-05.0	+7.5	1799.0
May	1820.0-35.0	+5.0	1820.0

Sales: 1,422 (150) lots of 15 tonnes.

International Cocoa Organisation (U.S. cents per pound). Daily price March 16 157.81 (152.66). Indicator prices for March 19: 15-day average 157.81 (158.46); 22-day average 158.90 (159.09).

GRAINS

LONDON FUTURES (GAFTA)—Old crops improved 20p-25p in the morning on trade buying but later eased back on profit-taking and values lost more ground in the afternoon due to some commercial selling. Prices rallied a little towards the close on short covering, closing 5p up to 10p down on old crop wheat and 10-30p down on barley. New crop followed a similar pattern, finishing 20-30p down on wheat and barley, 5p up to 15p down, Acli reported.

IMPORTED—Wheat: CWRS No. 1 13½ per cent unquoted. U.S. Dark Northern Spring No. 2 14 per cent mid-April/mid-May 83.50, May 83, June-July 81.50, transhipment East Coast. U.S. Hard Winter 13½ per cent March 88.75, transhipment East Coast. EEC unquoted. Maize: U.S./French March 109, April 110, May 111 transhipment East Coast. S African White unquoted. S. African Yellow May 74 UK. Barley: English feed fob April 98, April-June 99, Oct.-Dec. new crop 92, East Coast.

	WHEAT		BARLEY	
M'nth	Yesterday's close	+ or —	Yesterday's close	+ or —
Mar.	97.05	+0.05	93.60	+0.10
May	99.15	—0.10	95.60	—0.50
Sept.	92.75	+0.30	86.40	+0.05
Nov.	95.60	—0.20	89.60	—0.15
Jan.	99.40	+0.40	93.15	—0.05

Business done—Wheat: March 97.00-96.90, May 99.30-99.05, Sept. 93.20-92.75, Nov. 96.10-95.60, Jan. 99.75-99.60. Sales, 69. Barley: March 93.60-93.60, May 96.00-95.45, Sept. 86.55-86.35, Nov. 89.85-89.50, Jan. 93.35-93.25. Sales: 113.

HGCA—Average UK ex-farm spot prices for week ending March 15: Other milling wheat £97.40 (+0.40); Feed wheat £95.30 (+0.70); Feed barley £91.90 (+0.40); Malting barley £98.30 (+1.90).

HGCA—Location ex farm spot prices. Feed wheat: Central Scotland 101.50, Cambridge 96.50. Feed barley: Central Scotland 92.60, Cambridge 91.10.

The UK monetary coefficient for the week beginning March 26 (based on HGCA calculations) is expected to remain unchanged.

COFFEE

Robusta coffee futures opened unchanged to slightly higher. In quiet conditions values traded in a £4-£6 range during a disappointing morning session when volume was very poor, report Drexel Burnham Lambert. There was little change in the afternoon and the market finished £1 to £5 lower on the day.

COFFEE	Yesterday's Close £ per tonne	+ or —	Business Done
March	1464-1460	—2.5	1462-1464
May	1435-1456	—4.0	1443-1435
July	1433-1434	—3.0	1441-1431
September	1430-1432	—3.5	1443-1431
November	1424-1426	—5.5	1438-1425
January	1419-1420	—3.5	1427-1418
March	1413-1414	—1.0	1419-1414

Sales: 1,476 (2,378) lots of 5 tonnes.

ICO Indicator prices for March 16 (U.S. cents per pound): Colombian Mild Arabicas 135.00 (same), unwashed Arabicas 139.00 (138.00), Robustas ICA 1968 135.50 (same), Robustas ICA 1976 135.00 (same), other Mild Arabicas 129.83. Composite daily averge 129.88.

RUBBER

SLIGHTLY EASIER opening on the London physical market. Little interest throughout the day, closing on a dull note. Lewis and Peat reported a Malaysian godown price of 254 (253½).

No. 1 R.S.S.	Yesterday's Close	Previous Close	Business Done
April	58.65-58.90	58.90-59.15	58.90-58.80
May	58.90-58.95	59.80-60.10	58.75
Apr-Jne	59.80-60.00	59.80-59.90	60.00-59.80
Jy-Sept.	62.95-63.00	62.75-62.80	63.00-62.80
Oct-Dec	65.00-65.05	64.55-64.70	65.00-64.80
Jan-Mar	66.90-66.95	66.70-66.80	66.95-66.80
Apr-Jne	68.85-68.90	68.70-68.85	68.90
Jy-Sept.	70.80-70.85	70.65-70.70	70.90-70.70
Oct-Dec	72.85-73.00	72.70-72.75	72.95-72.80

Sales: 229 (150) lots of 15 tonnes and 6 lots of 5 tonnes.

Physical closing prices (buyers) were: Spot 58.75p (same); April 60.75p (60.50); May 61.25p (61.0).

SOYABEAN MEAL

The London market opened unchanged to slightly easier, reported T. G. Roddick. With little cash interest and exceptionally quiet trading conditions the market closed 30-40 down.

	Yesterday Close £ per tonne	+ or —	Business Done
April	124.50-25.5	—0.10	125.00
June	126.20-26.5	—0.55	125.80-126.50
August	128.00-28.1	—0.45	128.80-128.50
October	127.50-28.0	—0.25	128.00
December	128.00-28.7	—0.55	128.20-128.00
February	128.00-28.0	—0.5	—
April	128.00-29.4	+1.45	—

Sales: 23 (75) lots of 100 tonnes.

SUGAR

LONDON DAILY PRICE (raw sugar): £104.00 (same) a tonne cif for March-April shipment. White sugar daily price was fixed at £104.00 (£103.00).

Sugar Pref. Comm. Con.	Yesterday's Close	Previous Close	Business Done
	£ per tonne		
May	108.25-08.50	108.08-09.10	08.50-07.75
Aug.	112.10-12.25	112.70-12.75	12.50-11.75
Oct.	115.25-15.50	115.00-15.05	15.50-14.70
Dec.	117.85-17.95	117.50-17.90	18.05-17.40
March	122.00-22.05	121.80-21.90	22.10-21.50
May	124.25-24.40	124.25-25.00	24.50-23.55
Aug.	127.10-27.35	126.50-28.00	—

Sales: 1,427 (878) lots of 50 tonnes.

Tate and Lyle ex-refinery price for granulated basis white sugar was £264.85 (same) a tonne for home trade and £171.00 (same) for export.

International Sugar Agreement (U.S. cents per pound fob and stowed Caribbean port). Price for March 16: Daily 8.47 (8.60); 15-day average 8.49 (8.61).

WHITE SUGAR—Close (in order buyer, seller, business, sales). July 108.00, 108.50, 108.50-107.50, 407; Sept. 113.50, 114.00, 112.75-113.25, 162; Nov. 117.50, 118.00, 117.50, 35; Feb. 126.00, 128.05, 128.00, 21; April 131.00, 131.25, nil, nil; July 134.00, 136.50, nil, nil; Sept. 136.00, 141.50, nil, nil. Sales: 626.

WOOL FUTURES

BRADFORD—Little business though prices remained very firm because of considerable strength in wool values internationally.

LONDON GREASY—Close (in order seller, buyer). March 245, 240; May 251, 246; July 255, 250; Oct. 257, 252; Dec. 277, 252; March 257, 262; May 257, 252; July 257, 252. Sales: nil.

NEW ZEALAND CROSSBRED—Close (in order seller, buyer) March 204, 200; May 205, 203; July 209, 207; Oct. 211, 209; Dec. 213, 210; March 215, 208; May 215, 208; July 215, 208. Sales Nil.

SYDNEY GREASY—Close (in order buyer, seller, business, sales). Micron Contract: Mar 400.00, 409.0, 406.0, 406.0, 3; May 409.0, 411.0, 414.0, 410.0, 21; July 422.0, 424.0, 425.0, 423.0, 6; Oct 414.0, 415.0, 417.0, 413.0, 41; Dec. 412.0, 416.0, 416.5, 415.0, 30; Mar 417.0, 417.0, 417.5, 416.0, 29; May 416.5, 420.0, 420.5, 419.0, 39; July 422.0, 422.0, 423.5, 422.0, 33. Sales: 210.

MEAT/VEGETABLES

SMITHFIELD—Pence per pound. Beef: Scotch killed sides 54.0 to 59. Eire hindquarters 68.0 to 70.0, forequarters 38.0 to 42.0.

Veal: English fats 84.0 to 74.0, Dutch hinds and ends 90.0 to 94.0.

Lamb: English small 58.0 to 62.0, medium 56.0 to 62.0, heavy 50.0 to 58.0. Scotch medium 56.0 to 62.0, heavy 50.0 to 60.0. Imported frozen—N.Z. PL new season 48.0 to 49.0. PM new season 47.5 to 48.0.

Pork: English, under 100 lb 35.5 to 45.0, 100-120 lb 36.0 to 43.5, 120-160 lb 34.0 to 42.0.

MEAT COMMISSION—Average fatstock prices at representative markets on March 19. GB—Cattle 73.17p per kg.l.w. (−0.38); UK—Sheep 158.1p per kg est d.c.w. (+6.9); GB—Pigs 60.1p per kg.l.w. (−0.1). England and Wales: Cattle numbers down 4.8 per cent, average price 73.63p (+0.40). Sheep down 13.9 per cent, average 162.3p (+9.8). Pig down 9.3 per cent, average 60.0p (−0.1). Scotland: Cattle up 5.3 per cent, average 71.01p (+0.50). Sheep up 49.0 per cent, average 150.2p (+3.1). Pig up 20.2 per cent, average 64.6p (−0.9).

MEAT COMMISSION—Average prices at representative markets on week ending March 17. G.B. cattle 72.30p per kg lw (+0.08). U.K. sheep 153.3p per kg est dcw (+2.4). G.B. pigs 60.9p per kg lw (−0.2). England and Wales: Cattle numbers up 5.5 per cent, average price 72.68p (+0.07). Sheep numbers down 9.8 per cent, average price 154.4p (+3.3). Pig numbers up 0.7 per cent, average price 60.9p (−0.1). Scotland: Cattle numbers down 7.1 per cent, average price 71.04p (−0.03). Sheep numbers down 22.1 per cent, average price 146.4p (−2.3). Pig numbers up 27.3 per cent, average price 61.6p (−2.2).

COVENT GARDEN—Prices in sterling per package except where otherwise stated. Imported Produce: Oranges—Spania: Navels 3.30-3.50, Bloods 3.00-3.40; Israeli: Shamouti 4.40-5.40; Cyprus: 3.30-4.30; Moroccan: Valencia Lates 4.00-4.30. Ortaniques—Jamaican: 46/126 6.30-6.50. Wilkings—Spania: 4.00-4.50. Lemons—Italian: 120's 4.60; Cyprus: Trays 3.00-3.60, cartoons 126/150's 4.00-6.00; Spania: Trays 30/40/45 1.90-2.00; Jaffa: 125 4.90. Grapefruit—Cyprus: 2.50-3.80; Israeli: Jaffa 27/88 3.45-4.25. Apples—French: Golden Delicious (40-lb) 138/175's 3.30-4.50, (20-lb) 72's 2.10-2.20, 84's 1.80-1.90; Granny Smith (40-lb) 138/163 4.50-6.00, (20-lb) 72's 2.80, 84's 2.40, (jumble pack) per lb 0.08-0.10, Stark Crimson (40-lb) 138/198's 4.00-5.60, (20-lb) 64's 1.80-2.20, 72's 2.40-2.50, (jumble pack) per lb 0.07-0.08; Starking Delicious (40-lb) 150/175's 3.60-5.00. Hungarian: Starking Delicious 40-lb 5.20; S. African: Dunn's 40-lb 7.00. Pears—Per lb, Italian: Passacrassane 0.13; S. African: Williams Bon Chretien 6.80, Beurre Bosc 4.80, Beurre Hardy 6.00-6.30. Plums—S. African: Per lb Kelsey/Sungold 0.60. Bananas—Jamaican: Per 28-lb 4.60-4.80. Pineapples—S. African: 10/11's 3.60-4.40; Ivory Coast: each 0.40-0.90. Grapes—S. African: Cartons, Ben Hannah 5.80, Alphonse 6.00, Waltham Cross 4.80. Strawberries—Per 8 oz Israeli: 0.55; Spanish: 0.45-0.50.

English Produce: Potatoes—Per 25-kg 1.50-2.20. Lettuce—Per 12 round 2.00-2.40. Mushrooms—Per lb 0.55-0.60. Apples—Per lb Bramley 0.05-0.11; Cox's Orange Pippin 0.08-0.16; Sparten 0.06-0.10; Laxtons 0.05-0.07. Pears—Per lb Conference 0.10-0.15, Comice 0.18-0.22. Cabbages—Per net 4.20-5.00. Beetroot—Per 28-lb 0.90. Carrots—Per 28-lb 0.80-1.20. Onions—Per 28-lb 1.50-1.80. Rhubarb—Per lb 0.20-0.22. Swedes—Per 28-lb 0.80-0.90. Turnips—Per 28-lb 1.00-1.10. Parsnips—Per 28-lb 1.20-1.30. Sprouts—Per lb 0.15-0.20. Cucumbers—Tray 12/18's 3.20-3.60. Tomatoes—Per lb 0.45-0.50.

PRICE CHANGES

In tonnes unless otherwise stated.

	Mar. 19 1979	+ or —	Month ago
Metals			
Aluminium	£710	......	£710
Free Mkt (cs)	$1,495/75	......	$1,570/90
Copper			
Cash w'bar	£1005.5	+9.0	£968.5
3 mth	£1002.25	+9.75	£983.5
Cash Cathode	£1000	+6.5	£961.75
3 mth	£1016.5	+8.25	£975.25
Gold troy oz.	$242.875	—1.5	$247.625
Lead cash	£572.5	—10.5	£424.5
3 mth	£537.5	—5.75	£495
Nickel	£2523.14	......	£2,320.69
Freemkt (cif)(lb)	$15/50c	......	$1.85
		......	1.95
Platin'm tr'y oz	£164.5	......	£164.5
Free mkt	£197.85	—1.05	£203.5
Quicksil'ver	$245/50	......	$215/25
Silver troy oz	362.8p	+2.0	363.05p
3 months	372.2p	+2.5	375.65p
Tin cash	£7,447.5	—22.5	£7,925
3 mths	£7352.5	—20.0	£7,177.5
Tungsten	$137.51	+3.41	$134.14
Wolfrm 22.04 cif	$138/43	—2.0	$122/28
Zinc cash	£389.5	—1.0	£398.75
3 months	£401.75	—0.5	£412.75
Producers	$800	......	$760
Oils			
Coconut (Phil)	$1,010r	+10.0	$995
Groundnut	:	......	:
Linseed Crude	£427	+15	£404
Palm Malayan	$684r	+12.0	$710
Seeds			
Copra Philip	$585s	......	$680
Soyabean (U.S.)	$311.5v	+3.5	$208.35
Grains			
Barley Futures	£95.5	—0.3	£95.2
Maize			
French No 3 Am	£109	......	£109.5
Wheat			
No. 1 Red Spg.	:	......	:
No2 Hard Wint.	£88.75	......	£90.6
Eng. Milling †	£103.5r*	......	£96.5
Other commodities			
Cocoa ship't	£1,740	—18.0	£1,802
Future May	£1,699	—5.5	£1,799
Coffee F't'r May	£1,436.5	—4.0	£1,298.5
Cotton A'index	75.7c	......	77.05c
Rubber kilo §	58.75p	......	59.75p
Sugar (Raw)	£104	......	£99
Wooltp's 64s kl	290p	......	274p

* Nominal. † New crop. ‡ Unquoted. p April-May. q May-June. r May. s June-July. t April-June. v March-April. w April. x Per ton. z Indicator. § Buyer.

COTTON

LIVERPOOL COTTON—Spot and shipment sales in Liverpool amounted to 88 tonnes. Small purchases were made, with price levels a predominant factor. Occasional support came in African and Middle Eastern growths.

Compromise hopes at common fund talks

BY BRIJ KHINDARIA IN GENEVA

LAST-MINUTE concessions by the U.S. and the developing nations have significantly increased the chances for a compromise aimed at creating an unprecedented fund to finance price stabilisation measures for between ten and 23 key commodities.

Intensive negotiations for three days after the conference was due to end last Friday brought the outline of a deal which was later presented for approval separately to the various groups of countries involved, namely, the developing nations, the industrialised nations, and the socialist states. A decision was expected late yesterday.

The U.S. and the Soviet Union are both substantially against the compromise position, but may agree to go along, in order not to create hostility between rich and poor nations, ahead of the forthcoming United Nations conference on Trade and Development (UNCTAD) in Manila next May.

The richer nations cleared the way for compromise by accepting a hard-line developing-country demand that each nation participating in the fund should make a minimum contribution of $1m.

The demand raised problems for some smaller industrialised nations, who said they could not afford to hand over $1m on a platter. The smaller developing countries will not have to bear the burden of this minimum equal contribution, because the oil-exporting nations have promised to pay up to $2m each to the fund on behalf of the world's 29 poorer states.

Under the likely compromise, the fund will contain $400m in its first "window," designed to finance commercial operations by reserve stock managers to buy commodities contained in the fund's scope in times of falling world prices, and to sell them in times of high world prices to iron out excessive fluctuations.

The fund will also contain a second window of $350m to pay for export promotion, and other similar programmes to boost poor nations' commodity trade.

The minimum equal contribution is expected to raise about $150m for the fund, of which $80m would go to the first window and $70m to the second.

The remaining $320m targeted for the first window would be raised according to the following breakdown: 10 per cent from developing countries, 68 per cent from industrialised countries, 17 per cent from the socialist states, and 5 per cent from China.

The remaining $280m for the second window would be raised through voluntary contributions.

The main unresolved issue is the weighting to be given to rich and poor countries and to commodity producer and consumer nations in the fund's decision-making process.

EUROPEAN MARKETS

ROTTERDAM, March 19

U.S. No. Two Dark Hard Winter wheat, 13.5 per cent unquoted. U.S. Hard Winter wheat ordinary unquoted. U.S. No Two Red Winter wheat, June $146, July $141, August $143. U.S. No Two Northern Spring wheat, 14 per cent

CLOSING prices for American markets are not available for the 1st Edition due to the recent change to British Summer Time.

April/Mid-May $154, May $152, June $149.50, July $148, August/Sept $147.

Soyabeans—U.S. Two Yellow Gulf Ports AFL $304, March $304, April $305.75, May $305.75, June/July $307, August $306.50, Sept. $303.75, Oct. $283, Nov. $281, Dec. $284.50, Jan. $287.75, Feb. $291.75, March $292.75. Brazil Yellow FAQ unquoted. Argentine May/June $296.50, July $296.75, sellers.

Soyameal—44 per cent protein U.S. AFL $236, March/April/May $237, April/Sept $238, Nov./March $236.5. Brazil pellets AFL $240, March/April/May $241, April/Sept. $245, Nov./March $247.

PARIS, March 19.

Cocoa (FFr per 100 kilos): March 1,420/1,435, May 1,440/1,442, July 1,435/1,470, Sept. 1,470/1,485, Dec. 1,490/1,510. Sales at call three. Acumulative total 19.

INDICES

FINANCIAL TIMES

Mar. 16	Mar. 15	M'nth ago	Year ago
269.86	268.52	268.05	238.01

(Base: July 1, 1952=100)

MOODY'S

Mar. 16	Mar. 15	M'nth ago	Year ago
1067.2	1062.5	1042.7	903.8

(December 31, 1931=100)

DOW JONES

Dow Jones	Mar. 16	Mar. 15	Month ago	Year ago
Spot	378.97	381.22	384.47	361.66
F'tur's	385.12	387.20	383.12	345.19

(Average 1924-25-26=100)

REUTERS

Mar. 19	Mar. 16	M'nth ago	Year ago
1556.5	1554.2	1547.0	1409.5

(Base. September 18, 1931=100)

GRIMSBY FISH—Supply good, demand good. Prices at ship's side (unprocessed) per stone: Shelf cod £4.00-£4.50, codlings £2.80-£3.60; large haddock £4.00-£4.50, medium £3.80-£4.30, small £3.20-£3.60; large plaice £3.00-£3.80, medium £3.00-£3.60, best small £3.30-£4.00; large skinned dogfish £10.00; large lemon soles £10.00, medium £9.50; saithe £2.00-£2.40.

TEA—48,795 packages were offered at yesterday's London auction. There was good demand for North Indian and African teas. Better liquoring high-grown Ceylons met with limited enquiry but medium and plainer teas sold at about firm rates. Average price indications: quality 132p (same); medium 112p (114p); plain 75p (same) per kilo.

LONDON STOCK EXCHANGE

Political and other doubts dampen market interest but only minimal losses occur in both Gilts and equities

Account Dealing Dates

Option *First Dealings	Declarations	Last Dealings	Account Day
Feb. 26	Mar. 8	Mar. 9	Mar. 20
Mar. 12	Mar. 22	Mar. 23	Apr. 3
Mar. 26	Apr. 5	Apr. 6	Apr. 18

* "New time" dealings may take place from 9.30 am two business days earlier.

Political uncertainties coupled with revived doubts about the Chancellor's intentions regarding Government spending cuts in the coming Budget sufficed to hold institutional buyers at bay in stock markets yesterday. Equities were supported initially and it appeared that expectations of a resumption of Friday's late burst of strength were well founded.

However, a slightly easier opening in Gilt-edged following a weekend Press generally unanimous that the authorities' unique funding of £800m of Exchequer 12¼ per cent 1999 stock by tender offered little immediate scope for a further major advance in the market made for caution among the industrial leaders and prices began to drift.

As the mood of indecision continued in the funds, so interest in the equity sector faded. This applied even for secondary stocks, many of which had provided good features during the morning. Activity in situation issues and those mentioned in the weekend financial columns also tended to subside, although **Lonrho** attracted fresh speculative enthusiasm and topped the *day's active stocks list.*

Wilmot Breeden, too, figured prominently and slumped on disappointment with the indicated bid terms from Rockwell before rallying slightly towards the end. But the overall reduction in trade was measured by official markings which, at 5,711, were the lowest for over three weeks. Illustrating the marginal changes in sentiment, the FT 30-share index was 0.7 higher at the first calculation of the day and 1.2 down at the close of 509.7—the day's lowest.

British Funds fluctuated throughout as the longer end of the market attempted to re-adjust with being tapped again. Stocks in the vicinity of the 1999 tap issue were dull with the emphasis on Exchequer 12 per cent 1998, which lost ¼ to 99¼, but remaining longs regained earlier falls of that amount before easing again later to close a maximum of ¼ lower.

The shorts, meanwhile, opened hesitantly but improved in a light trade to end ⅛ higher in places, possibly reflecting relief that this area had been left untapped. Business in all sectors was probably inhibited by the call of £35 due yesterday on the near-medium Exchequer 13¼ per cent 1987 stock.

Early trade was especially brisk in the investment currency market but sellers had the edge and the premium reacted to 76 per cent before rallying to close a net 1¼ points lower at 76¾ per cent. Yesterday's SE conversion factor was 0.7276 (0.7177).

The major clearing banks passed a rather uninspiring session, the big four all displaying small falls. **Standard and Chartered** touched 494p before settling a net 6 up at 490p on the Federal Reserve Board's approval of the group's bid for the Californian Union Bancorp.

In *Insurances*, **Christopher Moran** turned flat and dropped 6 to 39p while awaiting today's annual results. **Willis Faber** eased 5 to 235p.

Brewery and kindred issues again traded quietly, but **Matthew Clark** met a reasonable two-way business in front of tomorrow's *interim statement* and hardened 2 to 160p. Renewed speculative demand lifted **Davenports** 6 to 129p. **Whitbread** eased a penny to 112p; news of the further interim price increases came well after the market close.

A few pence firmer at the outset, leading Building descriptions drifted easier on subsequent lack of interest. Elsewhere, weekend Press comment left **Montague L. Meyer** with a gain of 3 at 100p, after 104p, but clipped 2 from **Royco** at 48p. **Barratt Developments** touched 126p on the interim profits announcement, but slipped back to unchanged at 123p while, ahead of next Monday's annual results, **Ibstock Johnsen** firmed 4 to 196p. Dealings in **J.C.E.G.** were suspended at 20p *pending clarification of* the company's position.

In quiet Chemicals, **ICI** softened 2 to 392p and **Fisons** 6 to 314p. Interest in a thin market lifted *Brent 7 to 257p.*

R. & J. Pullman Wanted

Stores displayed a quietly mixed appearance with the leaders little altered from Friday's closing levels. **R. and J. Pullman** featured secondary issues, rising to 137p on speculative support before profit-taking restricted the jump to 14 at the close of 128p. **Conris (Furnishers)** dropped 4 to 126p, while **Church** turned dull on further consideration of Friday's results and also slipped 4, to 178p. Helped by the company's confidence about current trade, **Pittard** held steady at 52p despite the profits downturn.

Conditions in the Electrical sector were noticeably quieter than of late. Leading issues were rarely altered, but among others **Ferranti** were unsettled by a broker's adverse circular and fell 17 to 393p. In contrast, weekend Press *mention stimulated buying* interest in **Ward and Goldstone** which closed 5 to the good at 123p, after 127p. **Pifco** firmed 2 to 102p awaiting Friday's announcement of the interim figures, while **Best and May** moved up 4 to 94p after news that Crown House had declared *its offer unconditional following* receipt of 92.13 per cent acceptances.

Engineering leaders passed a rather quiet session and, apart from **Tubes**, up 6 at 402p, which encountered scattered buying interest ahead of the preliminary results due on Wednesday price *movements were limited to a* few pence either way. Elsewhere, news of the first liquidation distribution of 139p per share left **Swan Hunter** 11 to the good at 140p. Revived demand in a market none too well supplied with stock prompted a similar gain in **Wolseley-Hughes** at 275p, but ***Williams and James***, a recent high flier, encountered a little nervous selling awaiting Thursday's preliminary results and gave up 5 to 170p. **Jones and Shipman** gained 6 to 176p, while rises of around 5 were seen in **A. Cohen**, 205p, and **Birmingham Mint**, 145p. **Weir Group** hardened 2 to 96p in response to Press mention, but **Johnson and Firth Brown** shaded a penny to 60p on uninspiring half-yearly figures. Awaiting tomorrow's annual results, **Molins** gained 4 to 158p. **Hampson Industries** gave up ¼ more to 12¼p on the second half profits warning, while **Birmid Qualcast** eased a penny to 56½p *following news that the German* foundry deal had been called off.

J. Bibby provided a late firm feature in Foods rising 45 to 370p on a revival of takeover rumours. By contrast, current speculative favourites **Spillers** and **Robertson** shed 1¼ to 47p and 4 to 152p respectively. Awaiting interim *trading statements*, **Sidney C. Banks** firmed 5 to 103p and **Bejam** hardened 2 to 77p.

Hoover good

The miscellaneous Industrial leaders fluctuated narrowly before closing with a slightly easier bias. Elsewhere, **Hoover "A"** featured with a rise of 18 to 180p in response to the encouraging tenor of the chairman's annual review. Bid speculation persisted in **Pauls and Whites** which rose afresh to 150p before settling at 147p for a rise of 3, while weekend Press mention promoted gains of 4 in **Aaronson**, 85p, and **Biddle Holdings**, 112p. **Dufay** moved up 4 to 50p on news that Anglo American Asphalt had acquired a 5 per cent holding in the company and **Relyon PBWS** firmed 2 to 101p in response to the preliminary results. Still reflecting the recent assets revaluation, **Jacksons Bourne End** moved up 8 to 148p. **Wood Hall Trust** came to life with a rise of 5 to 103p, while **Lonsdale Universal**, 98p, and **Vinten**, 194p, rose 6 apiece. **Sotheby's** firmed 7 to 337p, but fresh scattered offerings left **Dunbee-Combex** 4 cheaper at 76p. Dealings were temporarily suspended in **PMA (Holdings)** at 100p pending publication of reorganisation details. Press comment left **LRC International** 2¼ to the good at 40½p, while buying in front of today's preliminary results lifted **Metal Closures** 5 to 118p.

Awaiting tomorrow's annual *results*, ***Horizon Midlands*** *put on* 7 to 182p, while **Saga Holidays**, interim statement Thursday, hardened 3 to 236p. Despite favourable Press comment, **Management Agency and Music** eased 4 to 165p, but fresh support lifted **Zetters** 2 to a 1978-79 peak of 64p.

Norton Eason Bee Stap Gabb

Rockwell's indication of a probable offer of 95p per share for **Wilmot Breeden** disappointed a market clearly expecting a higher bid and Wilmot plummeted 11 to 91p. Elsewhere, Motors generally finished with modest rises after a quiet business. **ERF**, 108p, and **Abbey Panels**, 68p both added 6 while, in distributors, **British Car Auctions** firmed 3 to 78p. Following a 41 per cent increase in annual profits coupled with a doubled dividend **Tate of Leeds** closed 2 better at a 1978-79 peak of 98p.

Ultramar active

While leading Properties displayed an easier tendency, certain secondary issues maintained recent interest. Regional issues were prominent with the Ordinary 8 up at 110p and the A 8½ to the good at 104p. Fresh support promoted a gain of 6 to 198p in **London and Provincial Shop** and, awaiting today's interim results, **Fairview Estates** added 3 to 180p. Up 40 on Friday on speculative interest, **Bradford** held at 445p, but **Scottish Metropolitan** eased 3 to 136p and recently firm **County and District** shed 4 to 166p. Bid stock **English Property** eased a penny to 59p on news that the Dutch group Wereldhave had lapsed its offer, while dealings in **Estates and Agency** were suspended at 90p at the company's request pending an announcement.

After last Friday's jump of 20 *on the results and dividend forecast* for 1979, **Ultramar** eventually succumbed to profit-taking in the course of an active trade and closed 6 cheaper at 292p. Among the leaders, **British Petroleum** were fairly lively, but rarely strayed far from the overnight closing level and finished *only 2 off at 1100p. Shell also* fluctuated narrowly before ending a shade off at 714p, while dollar premium influences left **Royal Dutch** ⅜ lower at £45⅜.

After widespread weekend Press comment which, inter alia, suggested that institutional investors now take a bigger interest in the company's shares, **Lonrho** traded actively and touched 86p before settling for a net rise of 7 at 83p.

Trusts made a mixed showing. Capital issues to make headway included **New Throgmorton**, 5 up at 167p, and **M and G**, 4 to the good at 130p. **HT Investments** *improved 3 more to 138p following the bid from* **Trafford Park Estates**. On the other hand, profit-taking after the annual results left **Camellia** 5 cheaper at 395p.

Shippings traded firmly with **P & O Deferred** improving 1½ to 74p. **James Fisher** hardened 2 to 228p following the results and proposed one-for-two scrip issue.

In Textiles, **Nottingham Manufacturing** rose 3 for a three-day gain of 8 to 154p. Following the recent breakdown of bid talks, dealings in **Brigray** were resumed at 94p compared with the mid-December suspension price of 64p. **David Dixon** closed 2 down at *154p following news* that Birmingham and Midland Counties Trust now hold 29.46 per cent of the equity.

Plantations held steady following a broker's favourable circular. **Harrisons Malaysian Estates** added 5 to 150p while, among Teas, **Lawrie** hardened 10 to 395p.

Golds mark time

Activity in the gold share market remained at minimal levels with dealers awaiting the outcome of today's U.S. Treasury gold auction.

In sterling terms share prices generally showed minor losses reflecting the fall in the investment currency premium, but dollar prices edged higher in line with the firmer trend in New York on Friday evening. The Gold Mines index eased 0.1 to 169.6 but the ex-premium *registered a 1.6 improvement at* 123.4.

The lower premium prompted a general downturn in South African Financials with **De Beers** 10 cheaper at 440p, **Union Corporation** 6 off at 364p and **Johnnies** ¼ easier at £17.

On the other hand, renewed *Johannesburg buying* lifted **General Mining** 5 to 485p, after a 1978-79 high of 493p, and **Transvaal Consolidated Land** a point to a 1978-79 peak of £19. "**Amgold**" held steady at £17 following the sharply higher profits and dividend.

In UK financials, **Gold Fields** were finally 4 up on balance at 221p, after a high of 224p. **Charter** finished unchanged at 172p, after 175p, and **Rio Tinto-Zinc** were 2 firmer at 304p, after 307p.

The continuing buoyancy of overnight Sydney and Melbourne markets prompted widespread gains in Australians but price rises were pared by the lower *premium*.

Favourable Press mention gave an additional boost to **Western Mining**, 7 dearer at 186p, and **Selcast Exploration**, 3 up at 57p, while the promising outlook for nickel and cobalt encouraged further buying of **Metals Exploration**, which added 1½ to a 1978-79 high of 55½p.

Elsewhere, trading resumed in **Afrikander Lease** following details of the deal with **Vaal Reefs**: after extremes of 275p and 230p the former's shares closed at 250p compared with the pre-suspension price of 287p, while the latter were finally £16¾ against a pre-suspension £16½.

FINANCIAL TIMES STOCK INDICES

	March 19	March 16	March 15	March 14	March 13	March 12	A year ago
Government Secs.	71.53	71.65	71.06	72.29	72.64	72.83	75.57
Fixed Interest	72.25	72.22	71.91	73.66	72.68	72.79	78.20
Industrial	509.7	510.9	502.7	509.9	506.6	519.3	458.6
Gold Mines	169.6	169.7	166.3	166.5	170.0	170.4	141.9
Gold Mines (Ex-$ pm)	123.4	121.8	119.1	119.4	119.1	119.9	99.4
Ord. Div. Yield	5.55	5.54	5.55	5.48	5.53	5.40	5.89
Earnings, Y'ld % (full)	14.76	14.73	14.40	14.22	14.32	14.01	17.31
P/E Ratio (net) (*)	8.63	8.65	9.04	9.15	9.09	9.29	8.10
Dealings marked	5,711	6,691	7,032	8,261	8,961	8,950	4,098
Equity turnover £m.	—	128.68	112.94	119.35	179.10	176.01	65.98
Equity bargains total	—	21,230	22,647	26,024	33,609	32,207	14,076

10 am 511.6. 11 am 510.2. Noon 509.8. 1 pm 510.4. 2 pm 510.2. 3 pm 510.5.
Latest Index 01-246 8026.
*Nil=8.33
Basis 100 Govt Secs. 15/10/26. Fixed Int. 1928. Industrial Ord. 1/7/35. Gold Mines 12/9/55. Ex $ premium index started June, 1972. SE Activity July-Dec. 1942.

HIGHS AND LOWS

	1978/9 High	1978/9 Low	Since Compilat'n High	Since Compilat'n Low
Govt Secs.	78.58 (5/1/78)	64.64 (6/2/79)	127.4 (9/1/35)	49.18 (3/1/75)
Fixed Int.	81.27 (9/1/78)	65.77 (12/2/79)	150.4 (28/11/47)	50.53 (3/1/75)
Ind. Ord.	535.5 (14/9/78)	433.4 (2/3/78)	549.2 (14/9/77)	49.4 (26/6/40)
Gold Mines	206.6 (14/6/78)	124.1 (29/11/78)	442.3 (22/5/75)	43.5 (26/10/71)
Gold Mines (Ex-$ pm)	132.3 (14/8/78)	90.5 (18/4/78)	337.1 (3/4/74)	54.3 (25/8/76)

S.E. ACTIVITY

	March 19	March 16
Daily		
Gilt Edged	112.6	141.0
Industrials	209.1	247.5
Speculative	43.1	41.1
Totals	130.0	152.3
5-day Av'r'ge		
Gilt Edged	127.8	150.6
Industrials	277.0	307.3
Speculative	45.9	44.1
Totals	166.9	181.6

ACTIVE STOCKS

Stock	Denomination	No. of marks	Closing price (p)	Change on day	1978-79 high	1978-79 low
Lonrho	25p	13	83	+7	88	55
BP	£1	11	1,100	−2	1,120	720
ICI	£1	11	392	−2	421	328
Ultramar	25p	11	292	−6	302	182
Shell Transport	25p	10	714	−2	718	484
Wilmot-Breeden	25p	10	91	−11	108½	55
Beecham	25p	9	687	−3	726	581
GEC	25p	9	378	−3	385	233
Reed Intl.	£1	9	183	−1	191	102
Barclays Bank	£1	8	430	−3	438	298
Boots	25p	8	230	−2	237	184
Metal Box	£1	8	316	−2	365	272
Midland Bank	£1	8	400	−3	410	330
NatWest Bank	£1	8	340	−3	365	250
Marks & Spencer	25p	7	102	—	104	67½

OPTIONS

DEALING DATES

First Dealings	Last Dealings	Last Declaration	For Settlement
Mar. 6	Mar. 19	May 31	Jne. 12
Mar. 20	Apr. 2	Jne. 14	Jne. 26
Apr. 3	Apr. 17	Jne. 28	Jul. 10

For rate indications see end of Share Information Service

Call options were made in Woolworth, Johnson Group Cleaners, P and O, Homecharm, Lonrho, Wilmot Breeden, Status Discount, Cons. Gold Fields, Hampson Industries, The "Times" Veneer, Tricentrol, A. G. Stanley, S. and W. Berisford, UDT, Selcast, Ernest Jones, Associated Dairies, Hawtin, Burmah, Sears, Spillers, Austin (F.) (Leyton), Christopher Moran and Scottish and Universal Invs. Spillers were also dealt in for the put, as were Christopher Moran, Shell and Vinten, while a double was completed in Sears.

RISES AND FALLS YESTERDAY

	Up	Down	Same
British Funds	13	47	17
Corpns. Dom. & Foreign Bonds	10	5	48
Industrials	325	337	859
Financial & Prop	103	104	301
Oils	6	12	[illegible]
Plantation	0	2	21
Mines	59	41	60
Recent Issues	8	2	19
Totals	518	550	1,3[illegible]

Cheaper by rail for pensioners

BRITAIN'S pensioners travel by rail to three European countries at cut rates from today.

Holders of British Rail's £7 senior citizen railcards will be able to obtain 30 to 50 per cent reductions on first and second class ordinary return fares to destinations in France, Portugal and Spain.

NEW HIGHS AND LOWS FOR 1978/9

The following securities quoted in the Share Information Service yesterday attained new Highs and Lows for 1978-79.

NEW HIGHS (106)

AMERICANS (1)
CANADIANS (2)
BANKS (2)
BEERS (2)
BUILDINGS (1)
CHEMICALS (4)
DRAPERY & STORES (5)
ELECTRICALS (5)
ENGINEERING (8)
FOODS (3)
HOTELS (1)
INDUSTRIALS (26)
LEISURE (2)
MOTORS (5)
PAPER & PRINTING (7)
PROPERTY (3)
SHIPPING (2)
SHOES (1)
TEXTILES (3)
TRUSTS (9)
OVERSEAS TRADERS (3)
TEAS (1)
MINES (10)

NEW LOWS (1)

INDUSTRIALS (1)
Borg-Warner

LONDON TRADED OPTIONS

Option	Ex'rcise price	April Closing offer	April Vol.	July Closing offer	July Vol.	Oct. Closing offer	Oct. Vol.	Equity close
BP	900	206	1	[illegible]	[illegible]	[illegible]	[illegible]	1101p
BP	950	156	—	[illegible]	[illegible]	[illegible]	[illegible]	"
BP	1000	106	—	[illegible]	[illegible]	[illegible]	[illegible]	"
BP	1050	54	—	[illegible]	[illegible]	[illegible]	[illegible]	"
BP	1100	21	2	[illegible]	[illegible]	[illegible]	[illegible]	"
Com. Union	160	9	15	[illegible]	[illegible]	[illegible]	[illegible]	166p
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

RECENT ISSUES

EQUITIES

Issue Price p	Amount Paid Up	Latest Renunc. Date	1978/79 High	1978/79 Low	Stock	Closing Price p	+ or −	Div.	Times Covered	Gross Yield	P/E Ratio
198	F.P.	[illegible]	[illegible]	[illegible]	Appl. Computer	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
65	F.P.	[illegible]	[illegible]	[illegible]	Caledonian Hldgs.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	Hunting Assoc. Defd.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	M.Y. Dart Defd.	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
95¶¶	F.P.	[illegible]	[illegible]	[illegible]	Sedgwick F.New 10p	115	+1	[illegible]	[illegible]	[illegible]	[illegible]

FIXED INTEREST STOCKS

Issue Price £	Amount Paid Up	Latest Renunc. Date	1978/79 High	1978/79 Low	Stock	Closing Price £	+ or −
[illegible]	F.P.	[illegible]	[illegible]	[illegible]	Chepstow Race's 5% Cnv. Uns. Ln. 1983	[illegible]	[illegible]
£96	[illegible]	[illegible]	[illegible]	[illegible]	GFC 13¼% Uns Ln 1992	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Lee Valley Water 6% Red. Prf. 1986	[illegible]	[illegible]
98	[illegible]	[illegible]	[illegible]	[illegible]	Mid-Southern Water 6% Red. Pref. 1984	[illegible]	[illegible]
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	Shaw Carpets 10% 2nd Cum. Pref. £1	103p	+1

"RIGHTS" OFFERS

Issue Price p	Amount Paid Up	Latest Renunc. Date	1978/9 High	1978/9 Low	Stock	Closing Price p	+ or −
125	F.P.	[illegible]	[illegible]	[illegible]	Baker Perkins	[illegible]	[illegible]
115	[illegible]	[illegible]	[illegible]	[illegible]	Brammer	[illegible]	[illegible]
60	[illegible]	[illegible]	[illegible]	[illegible]	Buroo Dean	[illegible]	[illegible]
88	[illegible]	[illegible]	[illegible]	[illegible]	Cement-Roadstone	[illegible]	[illegible]
220	[illegible]	[illegible]	[illegible]	[illegible]	Glasgow Stockholders	[illegible]	[illegible]
60	[illegible]	[illegible]	[illegible]	[illegible]	Hawkins & Tipson	[illegible]	[illegible]
33	[illegible]	[illegible]	[illegible]	[illegible]	Hirst & Mallinson	[illegible]	[illegible]
185	[illegible]	[illegible]	[illegible]	[illegible]	Johnson Matthey	[illegible]	[illegible]
67	[illegible]	[illegible]	[illegible]	[illegible]	Macpherson (D.)	[illegible]	[illegible]
58	[illegible]	[illegible]	[illegible]	[illegible]	Montfort	[illegible]	[illegible]
225	[illegible]	[illegible]	[illegible]	[illegible]	Rank Org.	[illegible]	[illegible]
59	[illegible]	[illegible]	[illegible]	[illegible]	Redman Heenan	[illegible]	[illegible]
27	[illegible]	[illegible]	[illegible]	[illegible]	Sekers Int.	[illegible]	[illegible]
315	[illegible]	[illegible]	[illegible]	[illegible]	Taylor Woodrow	[illegible]	[illegible]

[illegible footnotes: Renunciation date usually last day for dealing free of stamp duty; figures based on prospectus estimate; assumed dividend and yield; forecast dividend; cover based on previous year's earnings; dividend and yield based on prospectus or other official estimates; gross; figures assumed; cover allows for conversion of shares not now ranking for dividend or ranking only for restricted dividends; placing price to public; pt pence unless otherwise indicated; issued by tender; offered to holders of ordinary shares as a "rights"; issued by way of capitalisation; reintroduced; issued in connection with reorganisation, merger or take-over; introduction; issued to former preference holders; allotment letters (or fully-paid); provisional or partly-paid allotment letters; with warrants.]

FT-ACTUARIES SHARE INDICES

These indices are the joint compilation of the Financial Times, the Institute of Actuaries and the Faculty of Actuaries

	EQUITY GROUPS & SUB-SECTIONS (Figures in parentheses show number of stocks per section)	Mon., March 19, 1979 Index No.	Day's Change %	Est. Earnings Yield % (Max.)	Gross Div. Yield % (ACT at 33%)	Est. P/E Ratio (Net)	Fri. Mar. 16 Index No.	Thurs. Mar. 15 Index No.	Weds. Mar. 14 Index No.	Tues. Mar. 13 Index No.	Year ago (approx.) Index No.
1	CAPITAL GOODS (172)	257.11	−0.1	15.74	5.22	8.63	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
2	Building Materials (27)	238.26	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
3	Contracting, Construction (28)	389.06	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
4	Electricals (14)	610.95	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
5	Engineering Contractors (12)	397.88	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
6	Mechanical Engineering (75)	194.91	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
8	Metals and Metal Forming (16)	171.90	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
11	CONSUMER GOODS (DURABLE) (53)	233.28	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
12	Lt. Electronics, Radio, TV (16)	311.86	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
13	Household Goods (12)	169.53	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
14	Motors and Distributors (25)	123.56	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
21	CONSUMER GOODS (NON-DURABLE) (170)	241.60	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
22	Breweries (14)	255.52	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
23	Wines and Spirits (6)	347.71	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
24	Entertainment, Catering (17)	318.48	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
25	Food Manufacturing (19)	221.90	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
26	Food Retailing (15)	282.78	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
32	Newspapers, Publishing (12)	426.66	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
33	Packaging and Paper (15)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
34	Stores (40)	231.11	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
35	Textiles (23)	183.71	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
36	Tobaccos (3)	285.09	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
37	Toys and Games (6)	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
41	OTHER GROUPS (99)	221.89	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
42	Chemicals (18)	304.91	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
44	Pharmaceutical Products (7)	269.72	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
45	Office Equipment (6)	145.53	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
46	Shipping (10)	430.09	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
49	Miscellaneous (58)	241.88	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
49	INDUSTRIAL GROUP (494)	246.69	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
51	Oils (6)	625.82	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
59	500 SHARE INDEX	277.66	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
61	FINANCIAL GROUP (115)	196.50	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
62	Banks (6)	231.16	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
63	Discount Houses (10)	261.80	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
64	Hire Purchase (5)	177.05	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
65	Insurance (Life) (10)	152.[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
66	Insurance (Composite) (7)	141.81	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
67	Insurance Brokers (10)	338.03	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
68	Merchant Banks (14)	93.88	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
69	Property (43)	329.49	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
70	Miscellaneous (10)	124.14	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
71	Investment Trusts (111)	232.69	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
81	Mining Finance (4)	131.13	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
91	Overseas Traders (20)	369.70	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]	[illegible]
99	ALL-SHARE INDEX (750)	256.04	−0.1	—	5.11	—	256.38	253.36	255.88	255.27	202.21

FIXED INTEREST PRICE INDICES

	British Government	Mon. Mar. 19	Day's change %	xd adj. today	xd adj. 1979 to date
1	Under 5 years	105.91	+0.17	—	1.87
2	5-15 years	116.98	−0.14	—	1.39
3	Over 15 years	121.64	−0.25	—	2.24
4	Irredeemables	130.30	−0.52	—	1.76
5	All stocks	114.12	−0.06	—	1.81

FIXED INTEREST YIELDS Br. Govt. Av. Gross Red.

			Mon. Mar. 19	Fri. Mar. 16	Year ago (approx.)
1	Low Coupons	5 years	9.13	9.13	[illegible]
2		15 years	[illegible]	[illegible]	[illegible]
3		25 years	[illegible]	[illegible]	[illegible]
4	Medium Coupons	5 years	[illegible]	[illegible]	[illegible]
5		15 years	[illegible]	[illegible]	[illegible]
6		25 years	[illegible]	[illegible]	[illegible]
7	High Coupons	5 years	[illegible]	[illegible]	[illegible]
8		15 years	[illegible]	[illegible]	[illegible]
9		25 years	[illegible]	[illegible]	[illegible]
10	Irredeemables		11.35	11.31	[illegible]

		Mon., Mar. 19 Index	Yield %	Fri. Mar. 16	Thurs. Mar. 15	Wed. Mar. 14	Tues. Mar. 13	Mon. Mar. 12	Fri. Mar. 9	Thurs. Mar. 8	Year ago (approx)
15	20-yr. Red. Deb & Loans (15)	56.44	13.16	56.33	56.53	54.67	54.68	54.66	54.63	54.57	61.05
16	Investment Trust Prefs. (15)	50.16	14.01	50.16	50.16	50.44	50.39	50.39	50.16	50.16	56.12
17	Coml. and Indl. Prefs. (20)	71.37	13.18	71.01	71.17	71.06	70.77	70.77	70.79	70.90	74.55

† Redemption yield. Highs and lows record, base dates and values and constituent changes are published in Saturday issues. A list of the constituents is available from the Publishers, the Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 13p, by post 22p.

APPOINTMENTS

New management committee member for Distillers

Mr. Peter Whitley, a director of the Distillers Company, has been appointed a member of its management committee from April 1. He will be succeeded as managing director of John Walker and Sons by Mr. David Connell. Mr. Edmund Edwards, a director of John Walker and Sons, will replace Mr. Connell as managing director of White Horse Distillers.

*

Mr. Gerard Paris has been appointed a director of BARCLAYS MERCHANT BANK. He will be in charge of the merchant bank's business in Birmingham and the West Midlands and will be assisted by Mr. David James, who has been manager of that bank's Birmingham office since 1974. Mr. Paris, formerly group finance director of Tarmac, also becomes a director of the Birmingham local Board of Barclays Merchant Bank and a non-executive director of Barclays Bank's Birmingham local Board. He takes up his new post on May 1 and will divide his time between Birmingham and London.

*

Mr. A. R. Wilkins will be leaving the partnership of E. B. SAVORY MILLN AND CO., stockbrokers, on April 20.

*

Following the acquisition by Letraset International of Stanley Gibbons International, Mr. Howard O. Fraser has been appointed deputy chairman of LETRASET INTERNATIONAL. Mr. Fraser has been a director of Stanley Gibbons International since 1973. He became managing director of Stanley Gibbons Limited and deputy chairman of Stanley *Gibbons International* in 1976 and was appointed chairman of the group in October last year.

*

Mr. R. J. C. Hamilton has been appointed manager of the Stock Exchange branch of LLOYDS BANK in succession to the late Mr. F. J. Quested.

*

Lord O'Brien of Lothbury has been elected vice-chairman of the BANK FOR INTERNATIONAL SETTLEMENTS to succeed the late Monsieur Henri Deroy. Lord O'Brien who was Governor of the Bank of England from 1966 to 1973, is at present president of the British Bankers' Association.

*

Mr. J. S. McBride has resigned as director general of the BRICK DEVELOPMENT ASSOCIATION for personal health reasons.

*

Mr. David M. Culver, president of ALCAN ALUMINIUM, of Montreal, is to succeed Mr. Nathanael V. Davis as chief executive on July 1. Mr. Davis will continue as chairman of the Board. At the same time Mr. Paul H. Leman will retire as vice-chairman but will remain a director.

*

Mr. S. A. Eitles has been elected president, Northern Counties, of NATIONAL FEDERATION OF BUILDING TRADES EMPLOYERS for 1979-80. He is chairman and managing director of Stephen Easten.

*

Mr. Brian Chalk has been appointed manager in the treasury division of SAUDI INTERNATIONAL BANK (AL-BANK AL-SAUDI AL-ALAMI). He joined the bank in 1976 as a senior exchange dealer and became assistant manager last year.

*

Mr. Geoffrey Gould is joining the Board of BANQUE OCCIDENTALE POUR L'INDUSTRIE ET LE COMMERCE, Paris, on April 2 and will be managing director of the London branch. He will resign from the Boards of Keyser Ullmann and associated companies.

*

The Secretary for Transport has appointed Professor David Henderson and Mr. Tom Beagley as part-time members of the NATIONAL PORTS COUNCIL for three years.

*

NEI Bruce Peebles has appointed Mr. J. C. Power as sales director of PARSONS PEEBLES DISTRIBUTION TRANSFORMERS. He was London manager and in his new position will be based at Broxburn, West Lothian.

*

Mr. R. D. Smart, commercial director of GLAXO HOLDINGS, is to become president of the ASSOCIATION OF THE BRITISH PHARMACEUTICAL INDUSTRY. From April 1, Mr. Smart will give up responsibility for the commercial directorate and will become industry and general affairs director. Mr. F. C. D. Black is to relinquish his position as director in charge of developing trade areas and will be commercial director. Mr. J. C. Stewart, managing director of Vestric, the group's wholesaling subsidiary, leaves that post and will join the Board of Glaxo Holdings where he will be responsible for the developing trade areas. He will also become chairman of Vestric and Mr. P. M. Worling will take over as managing director of that company.

*

Mr. Neville A. Soper has been appointed to the new post of assistant managing director of TARMAC CONSTRUCTION HOLDINGS. He continues as head of Tarmac Construction Plant and his duties will also include control and co-ordination of all head office activities.

*

Mr. Clive F. Williams, managing director of Leslie and Godwin (UK), has been appointed chairman of LESLIE AND GODWIN (SCOTLAND).

*

Mr. Michael O. Hunt has been appointed vice president, international operations, of MSA (MANAGEMENT SCIENCE AMERICA) INC. Mr. John C. Hale has become managing director of its new British subsidiary company, MSA (Management Science America) Limited.

*

Mr. Patrick Newman has been appointed chairman of the Board and chief executive officer of TRANSWORLD PUBLISHERS. Mr. Philip Flamank, deputy managing director, becomes managing director. Mr. Oscar Dystel, who is chairman and chief executive officer of Bantam Books Inc, continues as chairman of the Transworld Publishers executive committee and as a director of Transworld Publishers. Mr. Newman remains a director and vice president of Bantam Books Inc.

*

Mr. Alan Wiskin has been appointed managing director of MSC MICROCOMPUTERS (EUROPE), the newly formed UK subsidiary of Microcomputer Systems Corporation, of California. He was previously sales and marketing manager for Borer Electronics. Mr. John Barnes has become technical director of the new company.

*

Mr. J. Stuart Spalding is to become vice-president and treasurer of BELL CANADA, with responsibility for both the finance and treasury departments from April 1. Mr. Harry Bowler, vice-president (finance), is retiring early at the end of this month.

Mr. P. N. Whitley

AUTHORISED UNIT TRUSTS

Minster Fund Managers Ltd.
Minster Hse., Arthur St., EC4. 01-623 1050

Minster Mar. 12	40.8	42.8	...	5.89
Exempt Feb. 28	104.9	108.9	...	5.14

MLA Unit Trust Mngmnt. Ltd.
Old Queen Street, SW1A 9JG. 01-930 7333

MLA Units	55.1	57.9	...	3.28

Murray Johnstone U.T. Mgnt.♥ (a)
163, Hope Street, Glasgow, G2 2UH. 041-221 5521

MJ European	78.9	84.0	...	3.81

Dealing Day Friday.

Mutual Unit Trust Managers♥ (a)(g)
15, Copthall Ave., EC2R 7BU. 01-606 4803

Mutual Sec. Plus	55.6	59.1	+0.2	6.22
Mutual Inc. Tst.	77.6	82.7	+0.3	7.00
Mutual Blue Chip	48.0	52.0	+0.2	6.27
Mutual High Yld.	61.3	65.4	+0.2	8.25

National and Commercial
31, St. Andrew Square, Edinburgh. 031-556 9151

Income March 15	164.8	170.8	...	5.79
(Accum. Units)	229.0	238.0	...	5.79
Capt. March 15	144.0	149.4	...	3.15
(Accum. Units)	177.2	183.8	...	3.15

National Provident Inv. Mngrs. Ltd.♥
48, Gracechurch St., EC3P 3HH. 01-623 4200

N.P.I. Gth Un. Tst.	54.5	58.0	...	4.40
(Accum. Units)*	67.7	72.1	...	4.40

Provincial Life Inv. Co. Ltd.♥
222, Bishopsgate, EC2.

Prolific Units	92.0	[illegible]
High Income	141.2	[illegible]

Prudl. Portfolio Mngrs. Ltd.♥
Holborn Bars, EC1N 2NH.

Prudential	145.5	[illegible]

Quilter Management Co. Ltd.
The Stk. Exchange, EC2N 1HP.

Quadrant Gen. Fd.	125.3	[illegible]
Quadrant Income	140.1	[illegible]

Reliance Unit Mgrs. Ltd.♥
Reliance Hse., Tunbridge Wells, Kt.

Opportunity Fd.	74.3	[illegible]
Sekforde T. (Acc.)	48.2	[illegible]
Sekforde T. Inc.	46.1	[illegible]

Ridgefield Management Ltd.
38-40, Kennedy St., Manchester

Ridgefield Int. UT	93	[illegible]
Ridgefield Income	97.0	104.0

Rothschild Asset Management
72-80, Gatehouse Rd., Aylesbury.

N. C. Equity Fund	188.9	200.9
N. C. Engy. Res. Tst.	120.7	128.4
N. C. Income Fund	165.9	176.4
N. C. Intl. Fd. (Inc.)	87.1	92.6
N. C. Intl. Fd. (Acc.)	88.2	93.6
N. C. Smllr Coys Fd.	186.3	198.2

Rowan Unit Trust Mngt. Ltd.

INSURANCE AND PROPERTY BONDS

OFFSHORE AND OVERSEAS FUNDS

Jardine Fleming & Co. Ltd.
46th Floor, Connaught Centre, Hong Kong

Jardine Estn. Tst.	HK$305.14	...	2.50
Jardine J'pn. Fd.*	HK$399.46	...	0.90
Jardine S.E.A.	$US17.05	...	2.10
Jardine Flem. Int.	HK$12.09	...	—
Intl. Pac. Secs. (Inc.)	HK$13.28	...	—
Do. (Accum.)	HK$13.46	...	—

NAV Feb. 28. *Equivalent US$82.76
Next sub. day March 15.

CMT Ltd Feb. 22	£13.90	14.26	...	2.80
Metals Tst. March 15	£14.90	15.27	...	5.46
TMT March 8	$US10.59	10.87	...	1.08
T.M.T. Ltd. Mar 8	£10.93	11.21	...	2.97

World Wide Growth Managementφ
10a, Boulevard Royal, Luxembourg

Worldwide Gth Fd	$US16.69	-0.07	—

Wren Commodity Trust
10, St. George's St., Douglas IoM 0624 25015

Wren Commod. Tst.	103.0	103.9	...	—

NOTES

Prices do not include $ premium, except where indicated ♦, and are in pence unless otherwise indicated. Yields % (shown in last column) allow for all buying expenses. a Offered prices include all expenses. b Today's prices. c Yield based on offer price. d Estimated. g Today's opening price. h Distribution free of UK taxes. p Periodic premium insurance plans. s Single premium insurance. x Offered price includes all expenses except agent's commission. y Offered price includes all expenses if bought through managers. z Previous day's price. ♥ Net of tax on realised capital gains unless indicated by φ. ¶ Guernsey gross. # Suspended. ♦ Yield before Jersey tax. † Ex-subdivision. ‡‡ Only available to charitable bodies.

FT SHARE INFORMATION SERVICE

BONDS & RAILS—Cont.

U.S. $ & DM prices exclude inv. $ premium

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Five to Fifteen Years

Over Fifteen Years

Undated

INTERNATIONAL BANK

CORPORATION LOANS

COMMONWEALTH & AFRICAN LOANS

LOANS

Public Board and Ind.

Financial

FOREIGN BONDS & RAILS

1978-79 High	Low	Stock	Price £	+ or —	Div. % Gross	Red. Yield
25	17	Antofagasta Rly...	22	......	—	—
41	33	Do. 5pc Pref	40	......	—	—
98	98	Chilean Mixed.....	98	......	—	f3.10

AMERICANS

S.E. List Premium 37¾% (based on US$2.0255 per £)
Conversion factor 0.7276 (0.7177)

CANADIANS

S.E. List Premium 37¾% (based on $2.3626 per £)

BANKS AND HIRE PURCHASE

1978-79 High	Low	Stock	Price	+ or —	Div. Net	Cvr	Y'ld Gr's	P/E
222	157	Gerrard Natnl...	220	......	g9.12	—	6.2	—
62	37	Gibbs (A.)......	58	+1	2.23	—	5.7	—
255	195	Gillett Bros. £1	243	......	16.95	—	10.4	—
29	19	Goode D'l Mry.5p	25xd	......	0.25	—	1.5	—
142	96	Grindlays........	125xd	-2	3.07	7.5	3.7	3.9
130	93	Guinness Peat ..	112	......	H5.67	—	7.6	—
223	155	Hambros	223	+3	†9.76	—	6.5	—
105	78	Hill Samuel	105	......	†4.97	—	7.1	—
600	40	Do. Warrants..	230	......	—	—	—	—

BANKS & HP—Continued

Hire Purchase, etc.

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O.F.S.

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DIAMOND AND PLATINUM

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MINES—Continued

AUSTRALIAN

1978-79 High	Low	Stock	Price	+ or −	Div. Net	C'vr	Y'ld Gr's
15	9	Acmex	13	......	—	—	—
171	64	Bougainville 50 Toea	147	+4	Q15c	1.4	6.3
140	63	BH South 50c	124	−1	—	—	—
820	150	Central Pacific	540	+20	—	—	—
336	148	Conzinc Riotinto 50c.	304	+4	¶Q10c	ϕ	1.9
36	19	Cultus Pacific N.L.	36	......	—	—	—
27	9½	Endeavour 20c	18¾	+¼	—	—	—
98	45	G.M. Kalgoorlie $1.	84	......	—	—	—
68	18	Haoma Gold N.L.	40	......	—	—	—
170	81	Hamptn Areas 5p.	170	+2	ϕ3.55	2.0	3.1
55½	10	Metals Ex. 50c	55½	+1½	—	—	—
275	125	M.I.M. Hldgs. 50c	254	+2	†Q9c	1.7	2.0

TINS

COPPER

MISCELLANEOUS

GOLDS EX-$ PREMIUM

London quotations for selected South African gold mining shares in U.S. currency excluding the investment dollar premium. These prices are available only to non-UK residents.

$15¼	$10¼	Buffels R1	$12¾	+⅛	Q190c	ϕ	17.2
$11¼	830c	East Drie R1	$11⅛	+⅛	Q115c	ϕ	11.9
585c	330c	East Rand Prp. R1	435c	+5	Q10c	—	—
$28⅛	$16½	F.S. Geduld 50c	$22⅛	......	Q315c	2.4	16.4
$15⅛	975c	Pres. Brand 50c	$14¼	......	Q150c	3.2	12.1
$14⅛	900c	St. Helena R1	$14⅛	......	Q190c	1.4	15.5
575c	313c	Stilfontein 50c	575c	+5	Q66c	2.3	13.2
$24	$16¼	Vaal Reefs 50c	$24	+½	Q280c	ϕ	13.4
$37	$25	West Drie R1	$32¾	+⅛	†Q385c	1.7	13.5
$31¼	$19	West Hldgs. 50c	$26¼	......	Q415c	1.4	18.2
$13	895c	Western Deep R2	$12⅛	+⅛	Q147½c	2.4	14.0

NOTES

Unless otherwise indicated, prices and net dividends are in pence and denominations are 25p. Estimated price/earnings ratios and covers are based on latest annual reports and accounts and, where possible, are updated on half-yearly figures. P/Es are calculated on the basis of net distribution; bracketed figures indicate 10 per cent. or more difference if calculated on "nil" distribution. Covers are based on "maximum" distribution. Yields are based on middle prices, are gross, adjusted to ACT of 33 per cent. and allow for value of declared distributions and rights. Securities with denominations other than sterling are quoted inclusive of the investment dollar premium.

- Δ Sterling denominated securities which include investment dollar premium.
- ● "Tap" Stock.
- * Highs and Lows marked thus have been adjusted to allow for rights issues for cash.
- † Interim since increased or resumed.
- ‡ Interim since reduced, passed or deferred.
- ‡‡ Tax-free to non-residents on application.
- ϕ Figures or report awaited.
- †† Unlisted security.
- # Price at time of suspension.
- ¶ Indicated dividend after pending scrip and/or rights issue: cover relates to previous dividends or forecasts.
- ♦ Merger bid or reorganisation in progress.
- Not comparable.
- Same interim: reduced final and/or reduced earnings indicated.
- Forecast dividend; cover on earnings updated by latest interim statement.
- ‡ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
- ★ Cover does not allow for shares which may also rank for dividend at a future date. No P/E ratio usually provided.
- ♥ Excluding a final dividend declaration.
- ‡ Regional price.
- || No par value.

a Tax free. b Figures based on prospectus or other official estimate. c Cents. d Dividend rate paid or payable on part of capital; cover based on dividend on full capital. e Redemption yield. f Flat yield. g Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k Kenya. m Interim higher than previous total. n Rights issue pending. q Earnings based on preliminary figures. s Dividend and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, P/E ratio based on latest annual earnings. u Forecast dividend: cover based on previous year's earnings. v Tax free up to 30p in the £. w Yield allows for currency clause. y Dividend and yield based on merger terms. z Dividend and yield include a special payment: Cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian. E Minimum tender price. F Dividend and yield based on prospectus or other official estimates for 1979-80. G Assumed dividend and yield after pending scrip and/or rights issue. H Dividend and yield based on prospectus or other official estimates for 1978-79. K Figures based on prospectus or other official estimates for 1978. M Dividend and yield based on prospectus or other official estimates for 1978. N Dividend and yield based on prospectus or other official estimates for 1979. P Figures based on prospectus or other official estimates for 1978-79. Q Gross. T Figures assumed. Z Dividend total to date. §§ Yield based on assumption Treasury Bill Rate stay unchanged until maturity of stock.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xa ex all; xd ex capital distribution.

"Recent Issues" and "Rights" Page 34

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REGIONAL MARKETS

The following is a selection of London quotations of shares previously listed only in regional markets. Prices of Irish issues, most of which are not officially listed in London, are as quoted on the Irish exchange.

Albany Inv. 20p	26½	......	Sheff. Refrshmt	77	+3
Ash Spinning	107	......	Sindall (Wm.)	120	......
Bertam	27	......			
Bdg'wtr. Est. 50p	360	......			

IRISH

OPTIONS

3-month Call Rates

A selection of Options traded is given on the London Stock Exchange Report page

FINANCIAL TIMES

Tuesday March 20 1979

British Shipbuilders' loss 'at least £47m'

BY LYNTON McLAIN

THE GOVERNMENT believes that British Shipbuilders, the state-owned corporation, will lose at least £47m in the current financial year—£2m more than the target set last year.

This was made clear by Mr. Gerald Kaufman, Minister of State at the Industry Department, who warned that recent "unforeseen developments" could push the losses even higher than £47m.

Most of the additional difficulties stem from the new Iranian Government's policy to review all its arms contract. British Shipbuilders had won several orders for warships.

Yarrow (Shipbuilders), part of the corporation is working on four logistics ships for Iran worth £58m. These vessels have a dual civil and military role and it is still unclear whether their order will be cancelled.

The eventual total losses could also be increased by a new national pay deal earlier this month. The estimate of £47m for the full year to March 31 was made in January, before the corporation had reached agreement with the shipbuilding unions.

Skilled men already earning £80 a week or more will get an extra sum, believed to be £5 a week. This would add considerably to British Shipbuilders' costs.

The figure of £47m loss before tax takes account of aid from the Government's Shipbuilding Intervention Fund. This is worth up to £90m, but British Shipbuilders would not say how much had been used so far to win orders.

The financial target of a maximum loss of £45m for the current financial year was set by Mr. Eric Varley, Industry Secretary in the Commons last July.

He said British Shipbuilders had to make progress towards providing an adequate return on capital. He had asked the corporation to conduct an "urgent study" of ways to cut the rate of loss. The target was set after consultations with British Shipbuilders.

Th corporation made a trading loss of £104.5m for its first nine months of trading to the end of March last year.

Hugh Routledge

Vice-President Hosni Mubarak of Egypt meets Mr. Callaghan at No. 10 Downing Street.

Israel agrees text of pact

BY DAVID LENNON IN TEL AVIV

THE ISRAELI Cabinet yesterday approved the full text of the proposed peace agreement with Egypt, and today will ask the Knesset to ratify the treaty. The Cabinet vote was 15 in favour and two against.

The Cabinet also held a very stormy discussion on the planned autonomy for the Palestinians living on the West Bank of the Gaza Strip. This debate was at the request of the National Religious Party, which has three Ministers in the Government.

The religious party is anxious to ensure that the proposed Palestinian self-rule be limited in scope, and that its implementation will not involve any restrictions on the Jewish settlements in the occupied territories.

The Cabinet decided to appoint a committee of 11 Ministers to discuss the limits of the autonomy. The committee is not expected to meet until after the peace treaty is signed with Egypt.

Mr. Ariel Sharon, the Minister in charge of settlements, brought maps to the Cabinet meeting showing plans for new Jewish settlements on the West Bank and Gaza Strip.

Even before the meeting ended, it was announced that the Israel delegation to the treaty-signing ceremony in Washington would leave Israel on Friday. In addition to the Prime Minister and his senior Cabinet colleagues, the delegation will also include Mr. Shimon Peres, chairman of the Opposition Labour Party, and Mr. Yitzhak Rabin, former Labour Party Prime Minister.

It has apparently been accepted here that there will be only one signing ceremony, in Washington next Monday.

Richard Johns writes: Israel was accused yesterday by a senior Egyptian official of doing everything to stop the participation of West Bank and Gaza Strip Palestinians in negotiations for autonomy provided for by the Camp David agreement.

Dr. Osama al Baz, Under-Secretary of State for Foreign Affairs, said in an interview that Israel's interpretation of the peace agreement with Egypt to be signed next week and its tougher policy on Jewish settlements were both designed to "discourage, even scare" the inhabitants of the occupied territories from entering into the peace process initiated by President Sadat.

Dr. Baz, who was accompanying Vice-President Hosni Mubarak, on his visit to London for talks with Mr. Callaghan, asserted: "Israel's conception and our's of jurisdiction and competence of a self-governing authority are directly opposed." He claimed that the form of autonomy envisaged by the U.S. was much closer to the Egyptian one.

Civil servants threaten to step up campaign

BY PHILIP BASSETT AND PAUL TAYLOR

CIVIL SERVICE union leaders will today warn Cabinet Ministers that the selective strike campaign will be stepped up unless the Government makes a firm pay offer to 600,000 white-collar civil servants.

The leaders of all nine civil service unions will urge Lord Peart, Lord Privy Seal, and Mr. Roy Hattersley, Prices Secretary, to give details and a timetable of an offer based on the findings of a comparability study. The unions say the study shows that rises averaging 26 to 36 per cent are due.

Pressure is building up in the other Whitehall unions to take action alongside the Civil and Public Services Association and the Society of Civil and Public Servants, which represent mainly clerical and executive grades.

Union officials said yesterday, however, that details of a firm pay offer would not be enough to avert an all-out strike in Scotland and widespread action in England tomorrow. The strike threat is over 39 clerical staff at the Scottish Office in Edinburgh who received formal suspension notices yesterday for refusing to do the work of staff on strike.

When the suspensions take effect tomorrow, the unions expect staff throughout Scotland to strike against what they consider a lock-out. Staff in England will hold lunchtime meetings to consider joining the strike.

Companies whose Value Added Tax refunds have been hit by strike action which has closed down the VAT computer centre at Southend may be able to deduct the value of the refunds from tax bills and National Insurance payments.

This concession by the Inland Revenue has not been officially sanctioned, but is understood to be operating informally in some areas.

Closure of the computer has frozen about £41m a week in VAT refunds. It is beginning to cause cash flow problems for smaller companies which are largely zero-rated for VAT.

The concession has been highlighted by Mr. Gordon Bridgman, an Essex builder and South-East organiser of the Alliance of Small Firms, formerly the Association of Self-Employed People.

Mr. Bridgman delayed payment of a £4,060 PAYE bill until the collector arived, and then offered a cheque for about £580, the difference between the PAYE bill and the VAT refund refund he was owed. He also wrote a covering letter explaining his reasons for setting the VAT refund against PAYE.

He was initially given the customary seven days to pay the full amount. Last Friday, however, he received a letter from the local tax offiee. "In view of the unusual circumstances, I will accept your proposal for payment, but the concesion must not be accepted as a precedent."

The tax office confirms that such an agrement was made, but argues that no precedent was created.

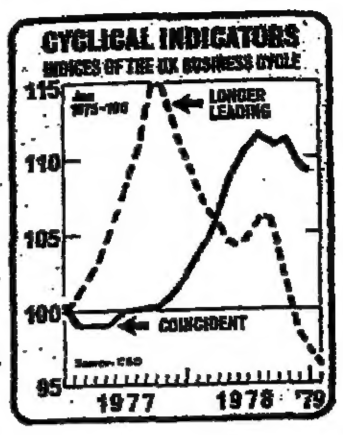
● Mr. David Calcutt, QC, has been appointed chairman of the Civil Service Arbitration Tribunal to succeed the Hon. Mr. Justice Mustill, who recently resigned after seven years to become a High Court judge.

THE LEX COLUMN

Countdown for Guthrie

Now even the index of lagging cyclical indicators has begun to show a decline. Yet judging by the recent pattern of the equity market and interest rates the longer leading index (of which these are two components) could soon halt its 16-month slide.

Index fell 1.2 to 509.7



Sime Darby/Guthrie

Sime Darby's bid for Guthrie —which has to be decided one way or the other within the next week — remains tempting although less than compelling. As Thursday's closing date approaches, Sime's problem is that many of the weak holders have already sold through the market, so that bridging the gap between its existing 29.9 per cent holding and 50 per cent is not going to be all that easy.

If Sime fails to be in a position to claim control after Thursday's count it will be in a tight corner. On Monday it should get approval for the takeover from its shareholders, but the offer can only be extended until next Tuesday and cannot be increased. If it is only very slightly short of 50 per cent Sime might hope to carry the day through one last market raid. But M and G is still nibbling at Guthrie's shares in the market—some were bought last Friday—and if it were so inclined it could keep the price out of Sime's reach.

Nothing is going to shake the hard core opposition of 30 per cent or so centred around M and G and the Anderson family holdings. Sime's task is to frighten other shareholders with the prospect of a sharply lower share price for Guthrie should the offer fail. Certainly anybody who wants the full bid price quickly must accept by Thursday, and not rely on being able to sell in the market. But with Guthrie's shares yielding 8 per cent at the bid price, and with Sime locked in as a 30 per cent shareholder, possibly plotting a comeback bid in due course if the offer lapses, the share price might not be as vulnerable as Sime might like to suggest.

Morgan Grenfell

Since Kleinwort Benson's surprisingly good 1978 results last week its share price has risen by just under a quarter and Hill Samuel's warrants have shot up from 55p to 230p. However, yesterday's results from the unquoted Morgan Grenfell, showing a 29 per cent fall in disclosed 1978 profits to £3.7m should do something to dampen investors' enthusiasm about merchant banks.

It looks as if Kleinwort's experience in calendar 1978 is going to be the exception rather than the rule. There are unlikely to be any nice surprises when Schroders reports its figures for the same period. Compared with the others Kleinwort appears to have benefited from the buoyancy of its non-banking operations. However, both Hill Samuel and Hambros which have March year ends, will have been helped by the recent surge in the gilt edged market and the increase in corporate finance activity.

In the short term, at least, Morgan Grenfell seems to be sacrificing profit for growth in its dash to join the big league of accepting houses. Over the last five years its footings have roughly trebled while its profits have risen by 127 per cent. It has had two rights issues in four years—an option closed to most merchant banks who do not have the backing of a handful of friendly institutions. If it continues growing at its current rate of more than 20 per cent per annum it will probably be back for more within a couple of years.

Rockwell/Wilmot

The apparently interminable talks between Rockwell International and Wilmot Breeden seem to have run into snags. The two sides said that talks were under way back at the beginning of December, and on February 14, Rockwell said that it was aiming for an agreed bid. Yesterday, however, it came out with a unilateral statement to the effect that it would be prepared to make a cash offer of 95p per share—provided Wilmot can produce satisfactory details about its profits and prospects.

It would be surprising if Wilmot accepted such terms. Admittedly 95p is nearly 50 per cent above the market price at the end of November, and represents a six-year peak for the shares. But Wilmot's profits seem to be recovering strongly from a downturn in 1978. One of its joint brokers, Capel-Cure Myers, recently forecast a rise from £4m to £7.3m pre-tax, and on that basis the fully taxed p/e at 95p would be under 6.

Wilmot has assets of perhaps 130p per share. It also has a successful business in France, which could produce trading profits of nearly £5m this year. Entry into the French motor component industry is not an easy matter for foreigners, and it could be argued that there should be an extra premium for control of such a company.

Rockwell's statement succeeded in knocking the speculative froth out of Wilmot's shares, which fell 11p to 91p.

Barratt

The bonanza continues at Barratt Development. Soaring house prices have left the rise in building costs far behind, and the widening of margins has helped push pre-tax profits to £8.2m in the first half of 1978-1979, against £7.1m in the previous six months and £4.1m in the comparable period of 1977-1978. With house prices still outpacing costs, the company should make a good £17m in the full year.

But in the stock market reservations about Barratt remain. The doubling of first-half profit left the shares unchanged at 123p, where they yield a prospective 11.2 per cent and the p/e on a nil tax charge is around 2.7. The main worry is how Barratt will weather the next recession—will it be able, given its relative size, to push for volume growth on lower margins?

At present the group is certainly seeking growth, which involves bidding for a good deal of land to keep its land-bank at three years' use—roughly 33,000 plots at present. To do this, and to enlarge its property portfolio, it has increased borrowings again, from under £20m to over £30m in the last half-year, against which retained profits and some new equity have boosted shareholders' funds to about £65m. As long as land values keep rising, Barratt can happily take in what amount to land profits on new building, whilst claiming stock relief on its appreciating unused land-bank. The only problem is that before very long the music may stop, at least for a time.

Scargill to stand for union presidency

By Alan Pike,
Labour Correspondent

MR. ARTHUR SCARGILL, the Yorkshire miners' leader, will be a candidate for the presidency of the National Union of Mineworkers when Mr. Joe Gormley retires.

He made this clear at the Yorkshire miners' annual council meeting in Barnsley yesterday when he declined a nomination to run for the annually-elected post of national vice-president at this summer's NUM conference.

Mr. Scargill, the Yorkshire area president, said: "I explained to the meeting that I was not prepared to accept nomination because it is my intention to stand for the position of national president if I am nominated by the Yorkshire area.

"I reached this decision following discussions with my colleagues in Yorkshire and NUM officials in other areas."

Mr. Scargill said that he and his colleagues felt he should make his position clear "irrespective of the date of the election—whether it be in 1979 or in 1981-82 when Mr. Gormley retires at the age of 65."

Mr. Gormley announced earlier this month that he would opt for early retirement and leave the NUM presidency at the end of this year. This would, however, leave moderates in the NUM leadership without an obvious strong candidate for the succession and Mr. Gormley may be encouraged by colleagues to remain in office until he is 65.

Yesterday Mr. Scargill said that he was still not convinced Mr. Gormley would retire this year.

The national vice-presidency for which Mr. Scargill declined nomination yesterday is at present held by Mr. Mick McGahey, the Scottish miners' leader. There has been speculation about a possible alliance between the two men when Mr. Gormley retires to ensure that the Left-wing vote for the presidency is not split.

Mr. Scargill once again attacked the introduction of incentive bonus schemes and blamed them for a "staggering increase" in the industry's death rate. Those who had advocated the scheme must bear a 'heavy responsibility."

Cyclical indicators fall points to continuing slow growth

BY PETER RIDDELL, ECONOMICS CORRESPONDENT

FURTHER SIGNS that the pace of economic activity has slackened and is likely to remain slow for most of the rest of this year are provided by official indicators published yesterday.

The Central Statistical Office yesterday published its series of cyclical indicators which are intended to highlight turning points in the course of the economy.

All four indicators — ranging from one looking ahead to turning points 12 months ahead to one lagging behind by 11 months —have fallen this year.

This not only backs up other evidence that the growth in activity has now clearly passed the peak of the economic cycle but that the slowdown may extend through the rest of 1979.

These indicators have to be interpreted with a fair degree of caution since some of the data from economic and market statistics were collected during the particularly disturbed period of industrial trouble, in January.

But the general conclusion pointing to a slower growth of demand and output this year, is supported by a monetarist analysis based on expectations of negligible growth in the real money supply after its rapid growth during most of last year. The real money stock is the nominal money supply, cash and bank current and deposit accounts, adjusted for inflation.

This ties in with most private sector forecasts which have been projecting a slowdown in the growth of total output from about 3 per cent in 1978, compared with the previous year, to between 2 and 2½ per cent this year.

The composite index of longer leading indicators fell again in February—continuing the almost continuous decline since autumn 1977. This reflected both the fall in equity share prices and the rise in interest rates; however, both these indicators have subsequently changed direction.

The index of shorter-leading indicators—looking ahead an average of five months—fell in January for the fifth month running, while the index of coincident indicators pointing to present activity dropped for the second month in a row.

The index of lagging indicators—an average of 11 months behind turning points—fell in February, for the first time in nearly three years.

Whitbread to cut investment programme

By David Churchill,
Consumer Affairs Correspondent

WHITBREAD has decided to axe about £10m from its current investment programme of £80m because of the Price Commission's refusal to permit as large an increase in beer prices as the company wanted.

The decision to trim the investment programme was taken at last week's Board meeting and follows the company's disclosure that the freeze on its price rises represented a loss of £500,000 a week to the company.

The investment cut is unlikely to be reversed by the Commission's decision yesterday to allow Whitbread a further interim price rise. This increase of 0.93 per cent covers the wholesale prices of its wines, spirits, and soft drinks, as well as beers and ciders bought from other producers.

The increase is understood to be a technical move to allow Whitbread to put prices up for drinks other than its own beers to bring it into line with the interim price award granted to Bass.

The Price Commission originally froze the 3p per pint prices rises sought by both Bass and Whitbread but subsequently allowed an interim price rise of 1p per pint. Different methods of price notification to the Commission are understood to have caused a small discrepancy in the interim price awards, which has now been corrected by the latest interim increase for Whitbread.

Renault takes stake in Mack

BY TERRY DODSWORTH IN PARIS

RENAULT, the French State-owned motor company, is taking a 20 per cent stake in Mack, the second largest heavy truck producer in the U.S. The deal will ensure distribution of Renault's medium-range commercial vehicles throughout North America.

It comes only a few weeks after Renault signed a distribution and local assembly agreement with American Motors, the smallest U.S. car manufacturer.

Although an outline agreement between the two commercial vehicles groups was reached last year, the final deal goes further than expected in giving Renault a direct stake in Mack and the right to nominate two directors to the Board.

This formal link was decided on for two main reasons, the companies said yesterday. For Renault, it means a more direct participation in the venture, on which it is pinning considerable hopes for its expansion plans. M. Francois Zanotti, president of RVI, Renault's commercial vehicles subsidiary, said that without structural ties, co-operative agreements tended to come apart.

For Mack, second to International Harvester in the U.S. heavy truck market, it means entry into the medium-sized range without having to set aside funds of its own. With demand for diesel-engined vehicles growing this sector—which covers vehicles of between nine and 15 tonnes—and the establishment of other European companies such as Mercedes, Volvo, UNIC and MAN in the U.S., Mack believes that it needs to expand quickly to hold off competition.

Mr. Jack Curcio, vice-president of Mack International, said: "Our assets are needed in the heavy vehicle business. We think it is better to get into smaller trucks on a partnership basis."

The deal comes in two parts. The first is between Renault and Mack's parent company, Signal, the U.S. group which also owns Garrett, the turbine and aviation equipment manufacturer, and UOP, the oil industry servicing company.

This allows Renault to take a 10 per cent stake in Mack following a capital increase of $50m (£25m), while paying another $65m for convertible loan stock equivalent to a further 10 per cent of the equity. Renault will finance this from its European resources.

The second part of the deal concerns the distribution of Renault vehicles by Mack for at least 10 years. A target of 1,000 sales through Mack's 800 outlets has been set for the first full year of operation, starting in September. By 1984, the two companies hope to have reached a total of 10,000 units.

The agreement illustrates the desire of the big European companies to establish thmselves in the stable U.S. market, where about 300,000 medium-weight vehicles are bought annually.

Continued from Page 1

Healey threat

EMS. But he insisted that if it decided to join, it should be entitled to the interest rate subsidies offered to other less prosperous countries joining the system.

The subsidies, totalling 1bn units of account (about £670m) will be used on European investment bank loans. One-third of this money is intended for Ireland and the rest for Italy. Mr. Healey said that Britain would seek a substantial increase in the total if it joined the EMS.

British authorities appear to have realised only belatedly that if the UK did enter the EMS, it could be prevented from benefiting from the subsidies by a blocking minority of other EEC Governments on a qualified majority vote in the Council of Ministers.

For this reason Mr. Healey said that unless Britain was given firm assurances that it would be eligible for the subsidies, he would not sign the legal regulation granting them to Ireland and Italy. However, France objected particularly strongly to his demand and no agreement was reached yesterday.

Weather

UK TODAY

MOSTLY cloudy with wintry showers. Occasional sleet or snow in the north, but brighter later. Max. 5C (41F).

London, S.E. Cent. S. England, E. Midland, S.W.
Cloudy. Wintry showers, heavy in places.

Wales, W. Midlands, Cent. N. England, N.W.
Occasional sleet or snow.

Scottish Lowlands, Ulster, Isle of Man
Some sleet or snow, brighter later with wintry showers.

The Rest of Scotland
Wintry showers. Sunny intervals.

● **Outlook:** Cold and windy everywhere. Bright intervals and wintry showers particularly in the north and east, where longer outbreaks of snow are likely.

WORLDWIDE

		Y'day midday °C	°F			Y'day midday °C	°F
Ajaccio	F	15	59	Jersey	F	7	45
Algiers	S	22	72	L. Plms.	F	20	68
Amsdm.	C	0	32	Lisbon	C	6	43
Athens	C	18	64	Locarno	C	10	50
Bahrain	S	29	84	London	C	7	45
Barclna.	F	15	59	Luxmbg.	C	5	41
Beirut	F	18	64	Madrid	C	10	50
Belfast	C	2	36	Majorca	R	14	57
Belgrd.	F	16	61	Malaga	F	15	59
Berlin	C	—1	30	Malta	S	19	66
Biarritz	F	12	54	M'chstr.	C	4	39
Bmghm.	C	2	36	Mex. C.	S	19	66
Blackpl.	C	5	41	Milan	C	10	50
Bordx.	F	10	50	Moscow	S	—10	14
Boulgn.	C	7	45	Munich	S	11	52
Bristol	R	4	39	Naples	C	15	59
Brussels	C	4	39	Nwcstl.	Sn.	0	32
Budpst.	F	14	57	Nice	C	14	57
Cardiff	R	3	37	Nicosia	S	18	64
Cas'b'ca	C	15	59	Oporto	C	9	48
Cologne	C	4	39	Oslo	F	—5	23
Cpnhgn.	F	0	32	Paris	R	5	41
Corfu	C	15	59	Prague	C	4	39
Dublin	C	4	39	Reykjvk.	S	—4	25
Dbrvnk.	C	13	37	Rhodes	F	19	66
Ednbgh.	F	3	37	Rome	F	16	61
Faro	F	14	57	Salzbrg.	S	13	55
Florence	C	14	57	Stckhm.	S	—4	25
Frankft.	F	6	43	Strasbg.	C	7	45
Funchal	F	15	59	Tangier	F	15	59
Geneva	C	5	41	Tel Aviv	S	18	64
Gibrltr.	F	15	59	Tenerife	F	11	52
Glasgow	F	1	34	Tunis	S	19	66
G'msey	F	7	45	Valencia	C	13	55
Helsinki	F	—8	18	Venice	F	12	54
Insbrk.	S	11	52	Vienna	C	15	59
Invrnss.	S	0	32	Warsaw	Sn	—1	30
I.o.Man	C	3	37	Zurich	S	10	50
Istanbul	R	14	57				

C—Cloudy. F—Fair. Fg—Fog. R—Rain. S—Sunny. Sl—Sleet. Sn—Snow.

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